An investment in the **[REDACTED]** *involves various risks.* **[REDACTED]** *in the* **[REDACTED]** *should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an investment in the* **[REDACTED]**. *The following is a description of what the Company considers to be its material risks. Any of the following risks could have a material adverse effect on the Company's business, financial condition and results of operations. In any such case, the market price of the* **[REDACTED]** *could decline, and you may lose all or part of your investment.*

[REDACTED] *should note that the risks described below are not the only risks the Company faces. The Company has described the risks it considers to be material, but there may be additional risks that the Company does not consider to be material as at the date of this Document or of which it is currently unaware, and any of these risks could have the effect set forth above.*

These factors are contingencies that may or may not occur, and the Company is not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements" in this Document.

The Company believes there are certain risks and uncertainties involved in its operations, some of which are beyond its control. The Company has categorised these risks and uncertainties into: (i) risks relating to its business and industry, (ii) risks relating to conducting business in Kazakhstan, and (iii) risks relating to the **[REDACTED]**, the **[REDACTED]** and the trading market.

RISKS RELATING TO ITS BUSINESS AND INDUSTRY

The Group faces liquidity constraints and has a significant net current liability position.

During the Track Record Period the Company has operated with net current liabilities which it manages with the support of short-term credit facilities. As at 31 December 2025, the Group's net current liabilities, calculated as current assets less current liabilities, were KZT 963,015 million, as compared to KZT 929,438 million as at 31 December 2024 and KZT 422,786 million as at 31 December 2023, and the Group expects that it will continue to have current liabilities in excess of current assets following completion of the **[REDACTED]**. The current liabilities as at 31 December 2025 included borrowings of KZT 488,658 million payable within 12 months. This excess of current liabilities reflects the Group's capital expenditure programme in recent years, which has required the Group to utilise operating cash flows and short-term credit facilities to fund construction activities pending the drawdown of longer-term development finance.

The Group sources external financing from the Government and Samruk-Kazyna, development finance institutions, international banks and the international debt capital markets, to fund its capital expenditure whilst managing its negative current liabilities position. In addition, in the four months ended 30 April 2026, the Group entered into a number of long-term financing arrangements with development finance institutions and international banks, as well as issuances of Notes, as part of its plans to reduce its reliance on short-term borrowings. Nevertheless, the Group has historically depended on, and expects to continue to rely on, financing from Samruk-Kazyna on favorable terms, and in connection with the audit of the Consolidated Financial Statements, Samruk-Kazyna has historically provided the Group and its auditors with a letter confirming its continued willingness to provide financial support. See also "Risks Relating to Its Business and Industry – The Group is dependent on continued financial support from the Government and Samruk-Kazyna, which is non-obligatory, and may be delayed, suspended, cancelled, reduced or discontinued" in this section for further details.

In light of the excess of current liabilities over current assets, management of the Group is required to assess the Group's status as a going concern. In doing so, management took into account factors such as the Group's financial position, expected future performance and cash flows from operations, tariff growth, its borrowings, available credit facilities, its capital expenditure commitments, exchange rates and other risks that the Group is facing. After completing the relevant analysis and considering the mitigating actions available to management whereby management can carry out certain actions to improve the going concern and liquidity position of the Group, together with the willingness of Samruk Kazyna to provide further support, the Group's management concluded that the Group has adequate resources to continue in operational existence and settle its liabilities and that the going concern basis was appropriate in preparing the 2025 Financial Statements.

In addition, under the terms of certain of its financing arrangements, the Group is required to comply with various financial and non-financial covenants. Breach of these covenants could result in significant penalties and fines and may give lenders the right to demand early repayment. Compliance with these covenants was identified as a key audit matter in the auditors' report on the 2025 Financial Statements, due to its potential implications for the going concern assumption applied in their preparation and for the classification of loans, bonds and lease liabilities. See "Risks Relating to Its Business and Industry – The Group's operations are restricted by its loan covenants and failure to comply with such covenants could result in a material adverse effect on the Group." in this section for further details.

There can be no assurance that the Group will continue to have access to sufficient financing in order to refinance its current liabilities when due, whether from internal or external sources. Any inability to refinance maturing short-term borrowings on acceptable terms, particularly if coupled with a reduction in or withdrawal of support from the Government and/or Samruk Kazyna, will result in the Group being required to curtail its capital expenditure programme and, as a result, adversely impact its ability to realize its strategy and growth objectives and possibly result in the Group being unable to meet its current liabilities as they fall due.

The Group has a front-loaded capital expenditure programme and may be subject to execution and funding risks.

The Group's capital expenditure programme for 2026 to 2030 is expected to be higher than the total capital spending incurred in the prior five-year period. The programme is heavily front-loaded, with spending set to peak in the opening year before tapering down to a lower annual average for the remaining years of the planning cycle. It encompasses major infrastructure projects, including second track construction, new border crossings, 11,000 km rehabilitation programme to address accumulated deterioration dating from the 1990s, as well as rolling stock renewal, capacity expansion and digitalisation. The Group expects to finance approximately 61% of the planned investments through external borrowings.

The scale and front-loading of this programme, combined with the Group's net current liability position of KZT 963,015 million as at 31 December 2025, give rise to material execution risks. The programme is subject to potential cost overruns, and it might not be completed on time or within budget. The Group is dependent on continued access to external financing on acceptable terms, as well as on continued government support through concessional funding. Any deterioration in financial market conditions, the Group's credit profile, or the availability of government support could constrain the Group's ability to fund the programme and increase its reliance on higher-cost financing. The completed investments might not achieve the expected improvements in infrastructure condition or operational efficiency. A failure to execute the programme successfully could delay the transition to maintenance-level spending and have a material adverse effect on the Group's business, results of operations, financial condition, and prospects.

The Group is dependent on continued financial support from the Government and Samruk-Kazyna, which is non-obligatory, and may be delayed, suspended, cancelled, reduced or discontinued.

The Group is dependent on various forms of financial support from the Government and Samruk-Kazyna. While the Government has historically provided, and continues to provide, support to the Group, such support is non-obligatory, and such support from the Government might not be maintained at current levels in the future or provided at all. Government support has historically taken the form of capital contributions, subsidies, concessional loans, and bonds issued in favour of Samruk-Kazyna on concessional terms. For example, during 2025, the Group obtained a loan of KZT 65,480 million from Samruk-Kazyna for financing the acquisition of passenger carriages at an interest rate of 0.05%. During 2025, the Company issued 1,010 Shares to Samruk-Kazyna that were paid for by Samruk-Kazyna long-term assets with total market value of KZT 28,791 million, and in 2024 the Company issued 1,000 Shares to Samruk-Kazyna that were paid for in KZT 13,273 million in cash by Samruk-Kazyna. While the amounts received annually amount to less than 10% of the Group's revenues, the Group relies on such support to supplement its funding for its operations and capital expenditures both in respect of the expansion and maintenance of its railway infrastructure and in the further development of its logistics business.

Historically, the Group has received: (i) interest rate subsidies, which are intended to subsidise the purchase of new gondola cars and fitting platforms and the interest rate under certain of the Group's local bonds and financial lease agreements; and (ii) subsidies that are aimed to reduce the Group's losses in respect of its passenger transportation services. During the year ended 31 December 2025, the Group had received KZT 1,803.4 billion in various forms of Government support, including KZT 699.7 billion in concessional financing with interest rates between 0.05% and 2% and long-term maturities, KZT 351.3 billion in financing with interest rates covered by 10% government subsidies, and KZT 209.6 billion in financing with interest rates covered by 6-8% government subsidies.

The provision, renewal and rollover of such interest rate subsidies and other forms of subsidised financing are subject to annual governmental and corporate approval processes, and, as a result, the timing of subsidy payments or formal rollovers may not always align with contractual payment dates under the related financing arrangements. In certain cases, subsidies are formally rolled over rather than repaid at the beginning of the relevant calendar year due to administrative, budgetary or timing considerations. As the payment is ultimately made when the subsidy is received by the Group, no enforcement action has been taken by the relevant government entity. From an accounting and contractual perspective, such timing mismatches may be treated as technical defaults under the relevant loan agreements unless waivers are obtained. Delays arising from such administrative or procedural processes are largely outside the Group's control.

On 2 March 2026, the Company received a letter from Samruk-Kazyna confirming its intention to provide ongoing financial and operational support to the Company for the foreseeable future and for at least 12 months from the date of approval of the 2025 Financial Statements. There can be no assurance, however, that interest rate subsidies will be paid or in what format and at what level financial and operational support will be provided by Samruk-Kazyna or the Government.

The Group also receives government subsidies as compensation for certain passenger transportation tariffs that are set at levels that are either low or not profitable. The level of Government subsidies received by the Group changes periodically. For 2025, government subsidies amounted to KZT 43.3 billion, compared to KZT 41.1 billion in 2024. The increase reflects changes in the amount and timing of government subsidy payments.

While the Government has agreed to provide financial support to the Group under certain agreements and programmes, the Government (either acting directly or through Samruk-Kazyna) generally has no obligation to provide financial support to the Group, whether in the form of capital contributions, loans, subsidies or otherwise. The provision of support from the Government is subject to Government policy priorities, fiscal constraints, and political considerations, which may change. For 2026, the Group's subsidy obligations amount to KZT 175,383 million, whereas the Government budget allocation for such subsidies is KZT 83,791 million, representing a shortfall of KZT 91,592 million. There can be no assurance that the Group will continue to receive the same level of support from the Government or that additional budgetary allocations will be made to address any shortfall. In addition, there can be no assurance that Government support, if any, will be given in a timely fashion.

If the Government delays, reduces or discontinues its financial support of the Group, whether through a delay, reduction or discontinuation of capital contributions, subsidies or loans, this could result in delays to the Group's capital expenditure programmes and may require the Group to seek alternative sources of financing, which could be on less favourable terms. While the Group believes it can continue to operate independently, any such changes to Government support could have an adverse effect on the Group's business, prospects, financial condition, cash flows and/or results of operations.

Tariff regulation by the Natural Monopoly Committee may adversely affect the Group's business and results of operations.

The Group's business activities are subject to regulation by the Government. As Kazakhstan's national railway company, the Group has a natural monopoly over Kazakhstan's mainline railway network. KTZ-FT, which undertakes the Group's rail operations, is a dominant member of the market of public importance in the sphere of freight transportation by rail. Accordingly, both the Group and KTZ-FT are regulated by the Natural Monopoly Committee. The Natural Monopoly Committee, the industry regulator and local executive authorities regulate the activities of the Group, KTZ-FT and Passenger Transportation by establishing and setting tariffs for domestic, import and export freight transportation on the mainline railway network, as well as tariffs for inter-regional, inter-city and suburban passenger transportation. In determining tariffs, the Natural Monopoly Committee considers a range of factors, including the income and investment needs of the Group. However, the Government's tariff setting policies may not be transparent, and the Government, through the Natural Monopoly Committee, may use tariff-setting as a means of supporting public policy initiatives in other sectors of the economy or otherwise to further Government policy without regard to its impact on the Group. For example, the provision of passenger rail services in Kazakhstan is considered a social responsibility of the rail operator, and, accordingly, tariffs are kept artificially low to ensure affordable passenger rail services. As a result, the revenue generated from passenger operations services has historically been insufficient to meet the operational costs of these services, and the Group relies on government subsidies to support its passenger transportation business.

The tariff-setting process is subject to a regulatory lag of approximately six to eight months between the time at which cost increases are incurred and the point at which they can be reflected in adjusted tariffs. The Group submits a package of materials reflecting actual costs incurred as the basis for a tariff increase, and adjusted tariffs are typically incorporated only in the following calendar year, unless the Natural Monopoly Committee decides for incorporation in the current calendar year. Accordingly, in periods of rising costs, the Group bears the full impact of such increases until the next tariff adjustment cycle, which may adversely affect the Group's margins and liquidity. Tariffs for the mainline railway network are approved for five-year periods and may be adjusted during the applicable period only in exceptional circumstances, including the implementation of investment projects or increases in employee wages. The current mainline railway network tariffs have been approved for the period from

2026 to 2030. As of the date of this Document, the Group continues to work with the Natural Monopoly Committee to increase the mainline railway network tariff to reflect costs associated with financing obtained for the implementation of infrastructure projects.

If the Natural Monopoly Committee establishes tariffs on one or more of the Group's services that are insufficient to cover the costs of the Group's provision of such services or if tariff rates established by the Natural Monopoly Committee are at levels that do not meet the Group's budgetary requirements and the Group does not receive other support from the Government to adequately supplement revenues derived from such tariffs, the Group could experience a reduction in liquidity and, as a result, may be unable to meet its current and future obligations as they come due or provide for planned capital expenditures. In particular, while the Group intends to work with the Natural Monopoly Committee to develop and approve a new tariff calculation methodology that would permit flexible tariff policies to take into account the interests of consumers and suppliers of train services and to establish tariff levels that enable cost recovery, it is uncertain when, or if, such new methodology will be implemented. If the Natural Monopoly Committee introduces a tariff containment policy or other measures that are unfavourable to the Group, this could have a significant impact on the Group's business. Moreover, other circumstances may arise in the future in which it would be in the commercial interests of the Group to discontinue an unprofitable service, and the Group may not be permitted to do so by the Government, which would mean that the Group would have to continue to provide the service at a loss.

The Group could be adversely affected by dealings with countries or entities that are, or become subject to, sanctions administered by the U.K., the U.S. or other relevant jurisdictions.

Certain entities and individuals in Russia have been subject to sweeping sanctions imposed by Western countries since February 2022.

Railway infrastructure across Kazakhstan, Russia and Belarus is interconnected, and the Group's locomotives, freight cars and passenger cars travel from, to and through Russia and Belarus. Accordingly, the Group interacts with Russian Railways and Belarusian Railways in connection with passenger and freight transportation and related payments. The Group has also entered into agreements with Russian Railways for certain services, including information system maintenance and technical support, and there is a strategic partnership agreement signed in November 2024 aimed at modernising railway infrastructure at nine key border crossings and improving cross-border freight operations. Russian Railways and Belarusian Railways are subject to sanctions, including asset freeze measures.

The Group is involved in projects with Russian-controlled and Belarusian-controlled entities, including through UTLC ERA, a joint venture with Russian Railways and Belarusian Railways formed to promote Eurasian transit corridors between China, South Asia and Europe. The Company, Russian Railways and Belarusian Railways each hold a 33.3% interest in UTLC ERA. In accordance with the provisions of the UTLC ERA shareholders agreement, Mr. Koishibayev, a member of the Management Board, and Mr. Meshcheryakov, a representative of the Company's interests (managing director for new projects) serve on the board of directors of UTLC ERA, and the Company receives dividends from this joint venture. UTLC ERA is currently operating normally and its assets are not frozen. The Company does not intend to apply any of the **[REDACTED]** of the **[REDACTED]** to fund, finance or otherwise contribute to UTLC ERA.

Under the UK Russia (Sanctions) (EU Exit) Regulations 2019, sanctions restrictions apply not only to designated persons, but also to entities owned or controlled, directly or indirectly, by designated persons. The ownership and control analysis involves an assessment of direct and indirect ownership interests and may take into account whether a designated person is able, by legal rights, contractual arrangements, financing relationships, board appointment rights, informal influence and other means of control. Accordingly, even where any entity is not itself designated, UK sanctions authorities might consider it to be owned or controlled by a designated person. With regards to the Group's participation in UTLC ERA, although the Group does not consider that Russian Railway's shareholding alone results in UTLC ERA being owned or controlled by Russian Railways for the purposes of the UK Russia (Sanctions) (EU Exit) Regulations 2019, the ownership and control analysis is fact-specific and may be subject to interpretation by the Office of Financial Sanctions Implementation ("**OFSI**") or other sanctions authorities.

OFSI guidance on financial facilitation may capture arrangements involving payment flows that directly or indirectly make funds or economic resources available to, or for the benefit of, a designated person, even where the relevant joint venture is not itself designated and its assets are not frozen. As a result, payments, dividends or other financial flows involving UTLC ERA may give rise to sanctions compliance considerations, particularly where UK persons and UK financial institutions are involved. The Company does not intend to apply any of the **[REDACTED]** of the **[REDACTED]** to fund, finance or otherwise contribute to UTLC ERA. In addition, under U.S. sanctions, there is theoretical secondary sanctions exposure for non-U.S. persons operating in the Russian transportation sector, including in connection with the Group's interest in UTLC ERA. However, any change in sanctions laws, OFSI guidance or the factual circumstances relating to UTLC ERA, Russian Railways or Belarusian Railways could require the Group to suspend, restructure, limit or exit its participation in UTLC ERA, or could restrict payments or other dealings involving UTLC ERA, any of which could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

The Group has historically maintained relationships with Russian state-owned banks, including Sberbank and VTB Bank, which are subject to EU, UK and US sanctions. In March 2022, the Group prepaid the principal amounts of its loans from VTB Bank and Sberbank in the amounts of RUB 19.4 billion and KZT 5,064 million, respectively, and closed the corresponding bank accounts. However, an associate of the Group, Aktau Sea Northern Terminal LLP, remains a borrower under a loan facility provided by Sberbank, with RUB 5,102 million outstanding until 2029. The Company nominates two of the five members of the supervisory board of Aktau Sea Northern Terminal LLP. This relationship reflects a legacy exposure at the level of an associate and does not constitute a new or incremental Russian banking exposure for the Group. The Company does not intend to apply any of the **[REDACTED]** of the **[REDACTED]** to fund, finance or otherwise contribute to Aktau Sea Northern Terminal LLP.

In addition, the Group maintains a commercial relationship with Lukoil Lubricants Central Asia, a subsidiary of PJSC Lukoil, in connection with the supply of certain lubricants used in the Group's rail operations. This relationship is conducted on a non-exclusive, commercial basis and lubricants represent a non-core input relative to the Group's overall cost base. PJSC Lukoil and its subsidiaries, including Lukoil Lubricants Central Asia, were designated as sanctioned entities by the U.S. and the UK on 15 October 2025. As a result, UK and U.S. persons are currently prohibited from dealing with Lukoil and its subsidiaries, subject to applicable general licences. From a U.S. sanctions perspective, the Group's contracts with Lukoil Lubricants Central Asia are authorised under license No. 131E, which will expire on 25 July 2026. General License No. 131E has been extended on six previous occasions, most recently prior to the date of this Document, and may be renewed again prior to that date. If General License No. 131E is not further extended, the Group may be required to terminate its contracts with Lukoil Lubricants Central Asia, which could result in the need to identify alternative lubricant suppliers, potentially at increased cost or on less favourable terms. The Group's international sanctions legal advisers have recommended that the Group consider ending those contracts if the general licence is not extended, and there would be potential U.S. secondary sanctions exposure from continued dealings with Lukoil Lubricants Central Asia in the absence of a valid general licence. To the extent UK persons are involved in any dealings under such contract, the Group may be required to rely on an applicable UK general license, such as General Licence INT/2025/8031092, which expires on 25 August 2026, subject to the satisfaction of the conditions. There can be no assurance that such conditions will be met in all circumstances or that the relevant license will remain available and applicable. In particular, there can be no assurance that either General License No. 131E or UK General Licence INT/2025/8031092 will be extended or renewed beyond their current expiry dates. Although the Group has not experienced supply disruptions or sanctions-related issues in relation to this relationship to date, any expansion of sanctions, counter-sanctions, regulatory restrictions or changes in the legal or compliance status of this counterparty could require the Group to adjust procurement arrangements, potentially resulting in increased costs or operational inefficiencies or disruptions.

While none of the Group's members is currently subject to sanctions and the Group has not engaged, and does not expect to engage, in any activities that would result in the imposition of sanctions, there can be no assurance that a Group company will not become subject to sanctions in the future. If any of the Group's current or future activities with certain countries, regions or entities are determined by relevant sanctions authorities to constitute a violation of applicable sanctions or otherwise provide a basis for a sanctions designation, this could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

The UK and the U.S. have imposed sanctions targeting the Russian transportation sector. The UK Statement of Reasons for the designation of Russian Railways states that Russian Railways has been involved in supporting the government of Russia by carrying on business in the transport sector, a sector of strategic importance to the government of Russia, and by enabling the movement of the Russian Army, combat vehicles and weapons towards the Russian borders with Ukraine. In the U.S., a determination issued on 19 May 2023 pursuant to Executive Order 14024 authorises the imposition of sanctions on persons operated or have operated in certain sectors of the Russian economy, including the transportation sector. Office of Foreign Assets Control ("**OFAC**") guidance describes the Russian transportation sector broadly to include the production, manufacturing, testing, financing, distribution or transport to, from, or involving the Russian Federation of any mode of transport or any goods, services, or technology for the movement or conveyance of persons or property, as well as related loading, unloading, storage and other associated activities.

As a result, the Group's historical and ongoing interactions with Russian transportation counterparties, including Russian Railways, and its involvement in cross-border transportation routes to, from or involving Russia, may attract heightened sanctions scrutiny. Although relevant UK and U.S. sanctions generally do not automatically "flow up" from a designated subsidiary to the wider corporate group, UK and U.S. sanctions authorities have not generally prioritised the designation of Kazakhstan entities solely on the basis of commercial or operational links with Russia. However, sanctions policy is subject to rapid change, and there can be no assurance that UK, U.S. or other sanctions authorities will not in the future designate Kazakhstan entities, including Group companies, where they are perceived to operate in or support sanctioned sectors of the Russian economy.

The Group has exposure to Iran-related sanctions risk through a trilateral memorandum of understanding dated 26 November 2021 among Kazakhstan, Iran and Turkmenistan to expand railroad cooperation and boost container transit volume on the Kazakhstan-Turkmenistan-Iran railway. The U.S. maintains an extensive sanctions regime against Iran, including secondary sanctions applicable to non-U.S. persons operating in certain sectors of the Iranian economy. As at the date of this Document, the Group has not commenced any construction projects in connection with this memorandum of understanding, which is not legally binding. However, should the Group proceed with any such projects in the future, this could give rise to U.S. secondary sanctions exposure, which could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

Subject to continued compliance with its internal sanctions compliance and risk procedures, the Group intends to continue its dealings with Russian Railways, Belarusian Railways, UTLC ERA, Lukoil Lubricants Central Asia and other relevant counterparties after **[REDACTED]**. Notwithstanding these procedures, there can be no assurance that the Group's sanctions compliance controls will be effective in all circumstances or sufficient to prevent sanctions violations or regulatory action, any of which could have a material adverse effect on the Group's business, reputation, financial condition and results of operations.

If sanctions were imposed on a Group company, it could have adverse consequences for the wider Group, including reputational harm, increased due diligence and compliance burdens, restrictions on dealings by international counterparties and financial institutions, disruption to payment flows, and reduced access to financing, clearing, settlement and capital markets infrastructure.

The Group's business and results of operations may be adversely affected by wars, regional conflicts, geopolitical developments and corridor disruptions, including as a result of the ongoing military conflict between Russia and Ukraine.

The geopolitical environment affecting the Group's operations has been subject to significant deterioration in recent years. Wars, regional conflicts, border closures, sanctions, counter-sanctions and other geopolitical events may disrupt the Group's transport corridors, reduce transit volumes, affect delivery times. For example, the Russia-Ukraine conflict escalated into a military invasion in 2022, which is a significant recent example. Kazakhstan has significant economic and political relations with Russia and Belarus, and the Kazakhstan-Russia border is the longest continuous land border in the world (approximately 7,599 kilometres), with a substantial portion of trade conducted by rail. Kazakhstan, Russia and Belarus are members of the Customs Union and the Common Economic Space and established the EEU on 1 January 2015. In 2024, trade turnover between the Republic of Kazakhstan and the EEU amounted to approximately US$30.4 billion, of which approximately 91.3% related to trade with Russia. As a result, the Group is exposed, directly and indirectly, to developments relating to wars, regional conflicts and geopolitical instability in the region. Any escalation or prolongation of such conflicts could disrupt the Group's business operations, compromise the safety and continuity of its rail services, and adversely affect the Group's ability to maintain normal operations across its network.

The Group's railway network is closely integrated with the networks of neighbouring countries due to the uniform railway gauge of 1,520 millimetres across Kazakhstan, Russia and Belarus. The Group's operators are required to perform certain operations on Russian territory, including at the Iletsk Railway Junction and the Eastern Railway Junction, in order for the railway network to function. In March 2022, the Russian Government imposed a ban on the transportation of goods and empty wagons through Russia and Belarus to, or by transit through, Ukraine, which has negatively affected the Group's freight volumes. There can be no assurance that alternative routes will be available or commercially viable. Further bans, restrictions, sanctions or counter-sanctions, disruptions to transit routes or ports, or additional currency volatility could adversely affect the Group's freight volumes and operations.

The Group's transit volumes on certain key corridors have experienced recent declines. Volume on the eastern branch of the Northern and Southern corridors of the Trans-Asian Railroad was approximately 448,000 tonnes in 2025, representing a decline of 9% compared to 2024, and volume in January 2026 was approximately 27,000 tonnes, representing a decline of 33% compared to January 2025. The Kazakhstan-China-Turkmenistan-Iran route, which forms part of the Group's multimodal corridor strategy, has also experienced volume deterioration. These declines reflect, in part, the impact of geopolitical developments and shifting trade flows on the Group's international transit corridors. Volumes on these corridors might not recover, and any sustained decline in corridor volumes could have a material adverse effect on the Group's transit freight revenue.

The Group has assessed the potential impact of escalating geopolitical tensions in the Middle East on its international transit corridors. There may be different levels of potential disruptions to the Strait of Hormuz and the Bab el-Mandeb (Strait of Aden), including a partial blockade of the Strait of Hormuz combined with threats to the Bab el-Mandeb, a complete blockade of the Strait of Hormuz combined with real strikes or blockade of the Bab el-Mandeb by the Houthis, and an extreme scenario involving further escalation which results in the complete blockade of both straits and additional unforeseen events. Any of these scenarios may result in a partial or complete cessation of rail and sea transport along affected corridors. While the Group currently transports only immaterial volumes of cargo to Iran, broader regional escalation affecting the Strait of Hormuz and Bab el-Mandeb could disrupt global trade flows and have indirect adverse effects on the Group's transit volumes, operations and financial condition.

Any escalation or prolongation of the Russia-Ukraine conflict, any other war, regional conflict, border closure or geopolitical event affect the Group's transport corridors, could materially and adversely affect the Group's business, financial condition and results of operations.

The Group's joint ventures with foreign state-linked partners may give rise to governance, sanctions, and geopolitical risks.

The Group has established joint ventures with foreign state-linked partners as part of its strategy to develop international transport corridors and terminal infrastructure. The Group has accelerated the pace of JV formation in recent years, with six new joint ventures established between 2023 and 2025. In particular, the establishment of Aktau International Container Hub LLP, a joint venture with a Chinese state-affiliated entity in which the Chinese partner holds a 51% interest, and the establishment of Gulflink Ltd. with entities affiliated with AD Ports Group of the United Arab Emirates.

Where the Group holds a minority interest in joint ventures, including those with Chinese, the United Arab Emirates and other foreign state-linked partners, the Group's ability to influence key strategic, operational, and financial decisions may be limited. State-owned or state-affiliated joint venture partners may have strategic priorities that diverge from those of the Group or be influenced by the foreign policy objectives of their respective governments, creating the potential for conflicts of interest or decisions that are not aligned with the Group's commercial interests. Further, the rapid proliferation of joint ventures increases the complexity of the Group's corporate structure and the governance, compliance, and oversight burden on the Group's management.

Joint ventures with partners in or related to sanctioned jurisdictions carry sanctions compliance risks. See "Financial Information – Key Factors Affecting Results of Operations – Geopolitical Developments and Sanctions" in this Document for further details. Any failure to manage these risks effectively, or any adverse development affecting the Group's joint venture partners or the geopolitical environment in which they operate, could have a material adverse effect on the Group's business, results of operations, financial condition, reputation, and prospects.

The Group is subject to ongoing regulatory and antimonopoly scrutiny, which could result in material fines, operational restrictions or reputational harm.

As the national railway company of Kazakhstan, the Group operates as a natural monopoly in the provision of mainline railway network services and holds a dominant market position across freight transportation, locomotive traction, and transit operations in Kazakhstan. As a result, the Group has been and continues to be subject to investigations and proceedings initiated by relevant governmental authorities, including the Antimonopoly Agency. Since 2022, there have been 17 court proceedings between the Group and the Antimonopoly Agency, on matters including the approval of transportation plans, access to mainline network services, tariff policy, and the management of station infrastructure. While the courts have decided 15 of these 17 cases in favour of the Group, and four private rulings have been issued by the courts addressed to the Antimonopoly Agency for procedural breaches, there can be no assurance that the Group will prevail in future proceedings or that the Antimonopoly Agency will not initiate additional investigations.

In particular, the Antimonopoly Agency has previously sought to impose substantial fines on the Group's subsidiaries, including a fine of KZT 20 billion against KTZ-FT, which was subsequently reduced to KZT 91 million by the courts, and a further fine of KZT 1.4 billion, which was ultimately cancelled by the Cassation Court of the Republic of Kazakhstan in January 2026, with the proceedings terminated in full due to the absence of fault. These cases demonstrate the potential for material financial exposure in the event that future proceedings are not resolved in the Group's favour.

The Group's dominant market position and its role as a state-owned natural monopoly operator may continue to attract regulatory scrutiny from governmental authorities including the Antimonopoly Agency. Any adverse determination in future antimonopoly proceedings, the imposition of material fines, restrictions on the Group's operational or tariff practices, or interventions that affect the Group's relationships with foreign investors and strategic partners could have a material adverse effect on the Group's business, results of operations, financial condition, reputation, and prospects.

The Government, which indirectly controls the Company, may cause the Company to pursue public-policy objectives that conflict with its commercial interests and the interests of the [REDACTED], which includes influencing management appointments and removals, and the sale of Company assets.

Immediately following the **[REDACTED]**, Samruk-Kazyna will hold approximately **[REDACTED]**% of Shares in the Company. The Group is the national transport and logistics operator of Kazakhstan. The Government, through Samruk-Kazyna, controls the Company. As the Government's national management holding company, with the goal of supporting and diversifying Kazakhstan's economy, the interests of Samruk-Kazyna may differ significantly from the interests of the **[REDACTED]**, which may cause Samruk-Kazyna to direct the Group to engage in or expand into business areas that may materially and adversely affect the Group's ability to operate on a commercial basis or may cause the Group to operate in a way that is inconsistent with the best interests of the **[REDACTED]**. For example, the Group is required to provide certain passenger transportation services, which are not profitable, and may in the future be required to provide other such services that the Group may not consider to be in its best commercial interests, but are for the public good.

Historically, the Government has (i) directed the Group to engage in activities outside its core businesses and to acquire or dispose of assets in transactions that are not on an arm's length basis; and (ii) imposed on the Group other social duties, such as requiring it to construct social and recreational infrastructure, engage in charitable activities and implement community development programmes. The Government may impose further similar requirements in the future. In addition, the Government may use tariff-setting as a means of supporting public policy initiatives.

The Government, through Samruk-Kazyna, is in a position to appoint and remove, or influence management appointments and removals, and may require the Company to sell certain assets.

The 2021 Complex Privatisation Plan for the period 2021–2025 pursuant to Government Resolution No. 908 "On Certain Issues of Privatisation for 2021–2025", as amended, continues to apply to Samruk-Kazyna and its portfolio companies. Government Resolution No. 894 dated 24 October 2025 "On Certain Issues of Optimisation of Quasi-State Sector Entities and State Property Objects" further updated the applicable methodology for determining privatisation candidates and approved updated lists of quasi-state and state-owned entities subject to potential privatisation, reorganisation or liquidation.

The 2021 Complex Privatisation Plan (as amended) also contemplates the potential privatisation or reorganisation of certain subsidiaries, associates and joint ventures within the Samruk-Kazyna group, including several entities within the Group. The method, scope and timing of any such disposals have not been finally determined and will be subject to further review, consultations with independent advisers and compliance with applicable covenants. There can be no assurance as to the terms on which any such disposals may occur, if at all. Any such transactions may result in reduced business, reduced revenue base and reduced dividends being paid to the Company.

The Group's operations are restricted by its loan covenants and failure to comply with such covenants could result in a material adverse effect on the Group.

The Group is obliged to comply with various affirmative and negative covenants and restrictions contained in its financing arrangements, including material change to the scope or nature of their respective businesses, entering into mergers, consolidations or reorganisations, encumbering assets and completing certain sales, certain transfers and dispositions of properties.

In addition, its own internal policies for compliance with such covenants and restrictions may be stricter than required under such covenants and restrictions. The Group may also be limited in incurring capital expenditures greater than specified amounts and in incurring additional indebtedness or guaranteeing the indebtedness of third parties without the prior approval of the relevant lender. In addition to imposing affirmative and negative obligations regarding the conduct of the business of members of the Group, existing loan and guarantee agreements and other debt instruments require that the Group company subject to the agreement maintain on an ongoing basis, or periodically satisfy as at particular dates, certain financial tests. The Group also has to comply with a debt and financial stability management policy issued by Samruk-Kazyna, which sets certain key financial stability ratios that may restrict the Group's operations.

There can be no assurance that the Group will be able to comply with the covenants and restrictions set out in its loan and guarantee agreements and, if not, that it will be able to extend or obtain amendments or waivers for projected non-compliances that may be required from time-to-time or on a repeated basis in the future. If the Group fails to obtain any required amendment or waiver, the relevant Group borrower would be in breach of the applicable loan, guarantee and other agreements. Moreover, any such breach would likely trigger cross default provisions in the Group's financing agreements (and any such default would permit the Group's lenders and other creditors to accelerate some or all of the Group's debt, which could, in turn, require the Group to restructure or refinance its outstanding indebtedness). There can also be no assurance that the Group would be able to complete any such required restructuring or refinancing. Any of the foregoing could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group is subject to commodity price risk, which the Group has a limited ability to manage.

The Group does not produce or sell commodities directly, however, its freight transportation volumes and revenues are significantly dependent on the production, export, and consumption of commodities by its customers. Kazakhstan is a major exporter of commodities, including oil, natural gas, steel, copper, ferroalloys, iron ore, aluminium, coal, lead, zinc and wheat. In 2025, mineral products (including oil, gas and coal as well as metals and precious stones) accounted for approximately 63.6% of Kazakhstan's exports.

International crude oil prices have fluctuated widely in recent years in response to global supply and demand, general economic conditions, competition from other energy sources and other factors. As Kazakhstan is a major oil-exporting country and taxes from the oil sector are a major contributor to the National Fund, which serves as a key stabilising reserve and an important source of transfers to the State budget, a sustained decline in oil prices could reduce oil production and export activity, lower overall economic output, deplete the National Fund's resources, and limit its ability to support the budget. This, in turn, could reduce freight demand for the transportation of oil and petroleum products (which accounted for 19% of total revenue from freight transportation in 2025), as well as the transportation of equipment, materials and supplies to oil sector infrastructure projects, adversely affecting the Group's freight volumes and revenue.

Fuel and lubricants accounted for 14.7%, 12.1% and 13.8% of the Group's total cost of sales in 2023, 2024 and 2025, respectively. The Group purchases significant volumes of diesel fuel for its locomotives, primarily through open tenders conducted in accordance with Samruk-Kazyna procurement procedures. These tenders are typically awarded at the beginning of each year on fixed-price terms (with flexibility for downward adjustment if market prices fall). Fuel prices are volatile and influenced by international political and economic developments. Recent conflicts in Ukraine and the Middle East have caused an increase in the price and volatility of global fuel prices. While any continued increase in global oil prices is likely to have a positive impact on hydrocarbon producers such as Kazakhstan, leading to improvements in fiscal reserves and, in turn, a potential increase in subsidies available in the budget to the Group, such prices will also result in an increase in the Group's fuel costs. The Group does not conduct hedging activities in respect of market fuel price fluctuations.

There can be no assurance that the Group will be able to enter into sufficient flexible procurement or hedging arrangements to protect against commodity price risk in the future. A significant increase in fuel prices could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group includes the cost of fuel in the tariff calculations it submits to the Natural Monopoly Committee for approval. All of the Group's freight tariffs are subject to the approval of the Natural Monopoly Committee, except for transit tariffs, and there can be no assurance that the Natural Monopoly Committee will take into account increased cost of fuel when setting the tariffs. In addition, increases or changes in the approved tariffs are subject to regulatory approval and applied after approval has been received, while the cost of fuel may change more rapidly and frequently. Due to timing difference between the changes in fuel prices and any approval by the Natural Monopoly Committee to increase tariffs, the Group may generally be unable to pass along increased fuel costs to its customers, whether on a timely basis or at all.

The Group is exposed to a decline in demand for coal and other carbon-intensive cargo, which represents a significant portion of its freight volumes.

Coal is the single largest freight commodity transported by the Group, accounting for approximately one-third of total freight volumes in 2024. Freight transportation as a whole represented 87% of the Group's consolidated revenues. The global energy transition, including changes in power generation technology, policies to reduce reliance on fossil fuels, lower industrial demand in Kazakhstan, and reduced export demand for coal, may lead to a sustained decline in the volumes of coal and other carbon-intensive freight transported by the Group. The Group's existing infrastructure is substantially configured for the transportation of bulk commodities, including coal, and there can be no assurance that alternative cargo types would be available in sufficient volumes or at comparable margins to offset a decline in coal transportation in the near term. Any material reduction in demand for coal or other carbon-intensive cargo could have a material adverse effect on the Group's freight revenue, business, financial condition and results of operations.

In addition, the share of transit traffic in the total transportation balance is increasing, and transit traffic commands higher margins than coal transportation, which may offset any negative impact from a decline in coal cargo transportation volumes. The share of transit traffic in total cargo turnover increased from 18% in 2022 to 23% in 2025. Revenue from transit transportation was KZT 478 billion in 2022 and KZT 827 billion in 2025.

According to the Company's forecast estimates, coal shipments in domestic and export services are not expected to decrease in the medium term.

The Group's ability to control and benefit from the Port of Aktau is dependent on a trust management arrangement with Samruk-Kazyna.

The shares in International Sea Trade Port of Aktau are owned by Samruk-Kazyna and held by the Company pursuant to a trust management agreement dated 29 November 2013 (the "**Aktau Trust Management Agreement**"). Under the Aktau Trust Management Agreement, the Company is entitled to exercise certain shareholder rights in respect of International Sea Trade Port of Aktau, including the right to manage its activities and to receive dividends attributable to the shares. The Aktau Trust Management Agreement does not confer legal title on the Company, and the Company's rights over International Sea Trade Port of Aktau are contingent on the continuation of that arrangement.

Aktau Port is a key component of the Group's multimodal corridor strategy, and the Group's ability to provide integrated rail-sea-rail transportation solutions and to increase its share of transit, export and regional logistics flows is materially dependent on its continued ability to manage and control International Sea Trade Port of Aktau.

The laws of Kazakhstan give rise to uncertainty regarding the Company's rights to manage the International Sea Trade Port of Aktau pursuant to the Aktau Trust Management Agreement. In particular, it may be argued that the Aktau Trust Management Agreement was not validly concluded at the time of its execution. In addition, and independently of any such validity challenge, Samruk-Kazyna is entitled to terminate the Aktau Trust Management Agreement and withdraw the shares of International Sea Trade Port of Aktau from trust management at its discretion. The compensation payable to the Company upon such termination is limited to losses, damages and expenses arising directly from the termination and does not extend to the strategic or economic value of continued management. See also "Risks Relating to Conducting Business in Kazakhstan – The Government, which indirectly controls the Company, may cause the Company to pursue public-policy objectives that conflict with its commercial interests and the interests of the **[REDACTED]**, which includes influencing management appointments and removals, and the privatisation of Company assets" for further details of the Government's and

Samruk-Kazyna's broader powers over the Group's assets. If Samruk-Kazyna were to exercise its termination right, or if the validity of the Aktau Trust Management Agreement were successfully challenged, the Group would lose the ability to control and manage the operations of Aktau Port and to benefit from the associated economic rights, including dividend income. Such an outcome could also require the Group to deconsolidate Aktau Port from its financial statements. While the Company may seek to resolve the legal uncertainties described above by agreeing amendments to the Aktau Trust Management Agreement with Samruk-Kazyna, there can be no assurance that Samruk-Kazyna will agree to such amendments, that it will not exercise its termination right or the right of challenge, or that any compensation payable would adequately reflect the commercial value of the Group's interest in Aktau Port. Any such termination or loss of management rights could have a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows.

The Group is subject to foreign currency exchange rate risk, which the Group has a limited ability to manage.

The Group is exposed to foreign currency exchange rate risk on selected receivables, payables and borrowings that are denominated in currencies other than the Tenge. The currencies in which these transactions are denominated are primarily the U.S. dollar, Swiss Franc, Euro, Chinese Yuan and Russian Rouble. In addition, the Group receives a portion of its transit-related revenue in Swiss Francs. The Group's principal exchange rate risk involves changes in the value of the Tenge relative to the U.S. dollar and, to a lesser extent, relative to the Swiss Franc, the Russian Rouble and other currencies.

Since the NBK adopted a floating rate exchange policy for the Tenge in April 1999, the Tenge has fluctuated significantly, and the NBK has adopted a number of exchange rate policies. Devaluations and depreciations of the Tenge have contributed to reduced access to capital, a higher cost of capital, increased inflation, the recording of large foreign exchange losses and uncertainty regarding economic growth. Furthermore, the Group is indirectly exposed to the consequences of the Russia-Ukraine conflict. Following the outbreak of the conflict in February 2022, the Tenge depreciated significantly against major foreign currencies. As movements in the Russian Rouble have historically influenced the Tenge, ongoing regional geopolitical tension and currency volatility may increase the Group's costs regarding its foreign currency-denominated borrowings, goods, and services.

Such foreign exchange fluctuations have had and, if they continue, are expected to continue to have a material adverse effect on the Group's financial position, cash flows and results of operations. See "Risks Relating to Conducting Business in Kazakhstan – Devaluations of the Tenge or the adoption of a new currency exchange policy could have an adverse impact on the Group and Kazakhstan's public finances and economy" in this section for further details. As at 31 December 2023, 2024 and 2025, 17.58%, 16.91% and 12.8%, respectively, of the Group's borrowings and debt securities were denominated in U.S. dollars. Accordingly, any devaluation of the Tenge against the U.S. dollar has resulted, and in the future would result, in increased foreign exchange losses for the Group. By way of example, for the years ended 31 December 2024 and 2025, the Group recorded foreign exchange losses of KZT 69,620 million and KZT 19,990 million, respectively. The Group is also subject to exchange rate fluctuations in the KZT/RUB exchange rate as a result of borrowings denominated in Russian Roubles. In 2023, KTZ-FT entered into a loan agreement with Eurasian Development Bank to finance the acquisition of freight diesel locomotives, borrowing RUB 17.7 billion with such loan due to be fully repaid in 2034.

There can be no assurance that there will not be devaluations of the Tenge that could be significant. Most of the Group's consolidated total borrowings are denominated in USD and, to a lesser extent, Russian Roubles, so a devaluation of the Tenge against such currencies would have a net negative impact on the Group's financial condition and results of operations. The Group maintains a portion of its cash in U.S. dollars in order to partially offset foreign currency gain or loss on its borrowings denominated in U.S. dollars; however, these reserves may be insufficient to offset fully foreign currency loss.

The Group generates Swiss Franc denominated revenue from its freight transit tariffs based on the CIS Tariff Agreement. Unlike domestic, import and export freight tariffs, which are regulated and denominated in Tenge, transit freight tariffs are unregulated and set by railway administrations on a commercial basis, denominated in Swiss Francs. In 2025, transit-related revenues, being the only revenue stream denominated in Swiss Francs, accounted for 30.0% of the Group's total revenue and other income. For 2023, 33.9% of total revenue and other income was denominated in Swiss Francs, as compared to 32.3% in 2024 and 30.0% in 2025. This bifurcated tariff structure creates a dual exposure: the Group's regulated domestic revenues are constrained by the Natural Monopoly Committee's approval cycle and subject to regulatory lag, while the Group's unregulated transit revenues are exposed to fluctuations in transit volumes, competitive dynamics mainly on the China–Europe corridor, and foreign exchange movements in the CHF/KZT rate. Accordingly, fluctuations in the Tenge/Swiss Franc exchange rate may affect the Group's consolidated results of operations, and any change in the value of the Tenge against the Swiss Franc will result in an increase or decrease in the Group's revenue, as the case may be.

While the Group currently uses hedging instruments, such as cross-currency swaps, to hedge against its foreign currency exchange rate risks, there can be no assurance that such measures will fully offset any adverse financial impact resulting from currency variation, or that the Group will continue to have the ability to, or choose to, enter into sufficient hedging arrangements, or enter into hedging arrangements at all, to protect against foreign currency exchange rate risk in the future. A significant devaluation or depreciation of the Tenge relative to the U.S. dollar or Russian Rouble would increase the Group's foreign exchange losses, financial risks and costs, as the Group's borrowings are denominated primarily in these currencies. By contrast, fluctuations in the Tenge/Swiss Franc exchange rate principally affect the Group's operating performance, a depreciation of the Tenge against the Swiss Franc would increase the Tenge-equivalent value of the Group's Swiss Franc-denominated transit revenues, while an appreciation of the Tenge against the Swiss Franc would reduce such revenues when converted to Tenge.

Railway transportation may be subject to increasing competition from other modes of freight transportation, and the Group may be subject to increasing competition from other transportation and logistics companies.

Rail services in Kazakhstan face increasing competition from other modes of transport, including pipeline, road, water and air transport. Road transportation benefits from lower capital costs, lower barriers to entry, shorter lead times for capacity expansion, and greater flexibility to adjust to demand upswings and downturns compared to rail. Trucking operators can enter the market with relatively modest investment and redirect capacity rapidly in response to changing trade flows, whereas railway operations require substantial fixed infrastructure investment and are subject to network capacity constraints. Water transport, including via the Caspian Sea and inland waterways, may offer cost advantages for certain bulk commodities, particularly where port infrastructure is available. Air freight, while significantly more expensive per tonnes-km, competes with rail for time-sensitive, high-value goods – including e-commerce shipments – where speed of delivery is prioritised over cost, and benefits from lower infrastructure requirements at origin and destination compared to rail terminal networks. The Group primarily faces competition in its railway transportation business in the transport of oil and oil products from the development of pipelines in Kazakhstan and countries that border Kazakhstan, because pipeline transportation is more cost efficient than rail transportation in the transportation of crude oil. Transportation of oil and oil products accounted for 19% of the Group's total revenue from freight transportation in 2025 (as compared to 17% in 2024 and 18% in 2023). In addition, the Government is developing Kazakhstan's highway infrastructure to foster short- and medium-distance truck transportation. Should these initiatives succeed, the level of competition in the transportation industry could significantly increase.

Furthermore, private companies are able to compete with the Group by contracting their railcars and containers for freight transportation. These private companies could, over time, attract customers away from the Group and reduce their reliance on the Group's railcars.

If other modes of transportation become more competitive than rail transportation or if private companies increase their share of the freight transportation market, it could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group may not have sufficient reliable operational capacity to meet business demand.

The Group's ability to maintain sufficient reliable operational capacity to meet business demand is affected by two principal factors: (i) the deteriorating condition of its ageing rolling stock, which affects operational reliability; and (ii) the availability of sufficient vehicles to meet passenger and freight demand. As of 31 December 2025, the asset deterioration ratio of locomotives was 49.1%, that of freight cars was 53.6% and that of passenger cars was 38.5%. A large portion of the Group's locomotives were purchased in the 1980s. Despite significant capital expenditure in recent years, the freight railcar deterioration ratio has worsened from 55.6% in 2023 to 58.4% in 2025, indicating that the pace of fleet renewal and maintenance has been insufficient to offset ongoing asset ageing and wear. The high deterioration ratios increase the risk of unscheduled downtime, service disruptions, maintenance costs and safety incidents, which could adversely affect the Group's operational reliability and service quality.

Separately, given the material amount of property, plant and equipment on the Group's balance sheet, management's assessment of impairment indicators and, where applicable, impairment testing involves significant judgement and estimation, and could have a material impact on the Group's financial position and results of operations. There can be no assurance that no impairment charges will be recognised, and any such charges could have an adverse effect on the Group's financial position and results of operations.

A significant portion of the Group's locomotives and rolling stock are approaching the end of their useful lives and require replacement. There can be no assurance that the Group will be able to secure sufficient supplies of new locomotives or rolling stock on commercially acceptable terms, or at all, or that the Group will be successful in continuing to enter into, or will realise the benefits from, joint ventures and other agreements to address supply shortfalls. The implementation of maintenance and fleet renewal projects involves many potential risks and uncertainties, including interruptions resulting from the unavailability of locomotives, rolling stock and spare parts, inclement weather, unforeseen engineering difficulties, environmental and geological problems and unanticipated cost increases and claims, any of which could give rise to delays or cost overruns. For example, the Kuryk port and the Almaty-Shu secondary railway line construction projects have each been subject to increased costs and construction delays. See "Financial Information – Capital Expenditure and Capital Commitments – Capital Expenditure" in this Document for details.

Part of the Group's capital expenditure programme for 2026 to 2030 is intended to address the deteriorating condition of the Group's rolling stock fleet; however, there can be no assurance that this level of investment will be sufficient to stop or reverse the deterioration trend, particularly given the scale of the Group's rolling stock fleet and the competing demands on capital across new construction, rehabilitation, and fleet renewal. In addition, if passenger and freight demand continues to grow but the Group's vehicle supply is insufficient to meet such demand, the Group's ability to capture growth opportunities and serve its customers would be constrained, regardless of whether the existing fleet is adequately maintained. If the Group is unable to procure sufficient new locomotives and rolling stock, experiences delays or failures in delivery, or is unable to conduct the necessary maintenance and modernisation of its rolling stock fleet, the Group may be unable to maintain its service quality or satisfy customer demand, which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group relies heavily on information technology systems and the telecommunications and internet infrastructure of Kazakhstan to operate its business and any failure of these systems or cyber security breaches could harm its business.

The Group relies heavily on its telecommunications network and computer systems for coordination of scheduling, dispatching and other aspects of its railway operations, as well as accounting, ticket sales for passenger trains, tracking freight deliveries and numerous other functions. The Group's aging telecommunications network and computer systems require development and modernisation. The aging nature of the Group's computer systems means that there is an increased likelihood of failure and susceptibility to cyber threats. The hardware and software that is used by the Group may be damaged by human error, natural disasters, power loss, sabotage, computer viruses, cyber intrusion, network attacks and other events. The Group's operations may also be vulnerable to the system failures of other entities with whom such operations are closely linked, such as utility providers, telecommunication service providers and financial institutions. In particular, while the Group has implemented encryption measures for data transmitted through its networks, its data could still be misappropriated by third parties due to vulnerabilities in Kazakhstan's telecommunications and internet infrastructure. Problems that may occur as a result of system failures or cyber security breaches include, but are not limited to:

- the incorrect recognition of train schedule or route control data, which could disrupt railway operations and lead to railway accidents;
- system failures in ticketing, reservations and sales functions, which could cause significant confusion, inconvenience to passengers and loss of revenue; and
- difficulties in repairing systems over an extensive network that includes many remote areas, which could delay the re-establishment of operations and result in a further loss of revenue.

In the second half of 2025, a cybersecurity audit conducted by BTS Digital LLP identified deficiencies in the Group's IT systems and cybersecurity posture. A draft updated IT strategy has been prepared and is currently undergoing internal review and approval, including consideration by the Board. Until the new IT strategy is approved and fully implemented, the Group's systems may remain vulnerable to cyber threats, data breaches, and operational disruption. The scale of these challenges is reflected in the increase in IT-related capital expenditure from KZT 2,423.6 million in 2023 to KZT 17,596.9 million in 2025, a seven-fold increase, indicating both the extent of historical underinvestment and the urgency of modernisation. There can be no assurance that the Group's IT systems will be adequately protected during the transition period, or that the new IT strategy, once implemented, will be sufficient to address all identified vulnerabilities.

Moreover, the Group intends to increase further the use of advanced technologies in its operations. The Group has implemented a single information exchange system for the railway industry in Kazakhstan, which is integrated with certain neighbouring countries (including Russia, China, Uzbekistan, the Kyrgyz Republic and Azerbaijan) and other types of transportation and additional services such as customs and forwarding agents. Certain interrelated projects, such as automated processes for the planning and measuring of freight transportation, as well as the geographic mapping of the mainline railway to calculate safe interval systems between trains, have been implemented (for example, the Group operates AS MESPLAN (a system that automatically coordinates the Group's monthly data with customer information systems and which is linked to the single information exchange system) or are at the implementation stage (for example, a project aimed at controlling the progress of the transportation process from the workstations dispatcher unit). There can be no assurance, however, that the Group will be able successfully to continue to implement such advanced technologies or upgrade its computer systems, or that any systems that have been implemented will continue to operate successfully. Any such failure may have a material adverse effect on the Group's business, prospects, financial condition, cash flows and results of operations.

The Group's business depends on the performance, reliability and security of the telecommunications and internet infrastructure in Kazakhstan, where the Group's computer hardware is currently located. Any disruptions in, or failures of, the telecommunications and internet infrastructure in Kazakhstan may adversely affect the quality or availability of the Group's platforms. The failure of telecommunications network operators to provide the Group with the requisite bandwidth could affect the speed and availability of the Group's platforms. Moreover, if the security of the Group's domain names is compromised for any reason, the Group will be unable to use such domain names in its business operations, which, in turn, could adversely affect the Group's business and brand image.

Technological advancements in the railway and logistics sectors may require significant additional capital expenditure not currently anticipated.

The global railway and logistics industries are undergoing significant technological transformation, including advances in train control systems, signalling technology, automation, electrification, alternative fuels, rolling stock design, and digital freight platforms. Technological developments adopted by the Group's customers, competitors, trading partners, or neighbouring railway administrations may require the Group to make substantial investments in new technologies, equipment, or infrastructure upgrades that are not currently contemplated in its capital expenditure programme. In addition, there can be no assurance that technologies currently being implemented or planned by the Group, including its digitalisation initiatives, will remain current or competitive over the medium to long term, or that the Group will be able to adapt to technological change at the pace required by the market. Any requirement to incur material unplanned capital expenditure to adopt new technologies, or any failure to keep pace with technological developments in the sector, could have a material adverse effect on the Group's competitive position, business, financial condition, results of operations and prospects.

The Group may not sustain its historical growth or profitability.

The Group has delivered strong recent financial performance, its revenue and other income increased from KZT 1,934 billion in 2023 to KZT 2,164 billion in 2024 and KZT 2,757 billion in 2025, with Adjusted Group EBITDA (non-IFRS measure) increasing from KZT 508 billion in 2023 to KZT 596 billion in 2024 and KZT 872 billion in 2025. This growth has been supported by regulated tariff increases, transit freight volumes and favourable commodity market conditions. The Group's transit freight volumes increased from 27.3 million tonnes in 2023, to 27.5 million tonnes in 2024, to 33.0 million tonnes in 2025. However, there can be no assurance that the Group will maintain historical growth rates. Tariff increases may not be approved by the Natural Monopoly Committee at compatible levels, or may be insufficient to cover rising costs. See "Risks Relating to Its Business and Industry – Tariff regulation by the Natural Monopoly Committee may adversely affect the Group's business and results of operations" in this section for further details. Higher-margin segments, such as transit freight, may not experience growth, or may grow at rates lower than in prior periods. The Group's freight car operations are exposed to market dynamics that may adversely affect revenue and profitability. The costs of the passenger transportation segment exceed the revenue generated, and are reliant on Government subsidies. Any sustained decline in revenue growth or profitability could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces numerous operating risks that may result in loss and additional expenditures, which may not be fully covered by insurance.

The Group's infrastructure and transportation operations may be adversely affected by the breakdown or failure of equipment or processes, natural disasters, terrorist attacks or sabotage of the Group's extensive infrastructure and related assets. An accident, derailment or other incident involving the Group's railway operations could:

- result in damage to, or loss of, the Group's track network, locomotives and railcar fleet,
- disrupt the Group's services,
- give rise to potential claims by freight shippers, injured passengers and others; and
- have a material adverse effect on the attractiveness of the Group's services in the future.

A negative change in the perception of the Group's safety record could result in, among other things, customers switching to other means or providers of transportation. As a carrier and operator of rolling stock, members of the Group may also be responsible for spillage or leakage from railcars transporting environmentally sensitive materials where such spillage or leakage is the fault of the Group.

The insurance market is relatively undeveloped in Kazakhstan, and the Group does not procure insurance coverage to the same extent as what might be considered customary in more developed economies in Western Europe and North America. The Group maintains statutorily required insurance coverage, including with respect to automobile insurance, employer liability insurance, environmental insurance and passenger insurance for personal injury, death and loss or damage to passenger property. See "Business Overview – Insurance" for further details. Other than the foregoing, the Group does not maintain any other insurance (including business interruption insurance).

Subsidiaries of the Company obtain insurance for their respective rolling stock. Infrastructure assets owned by the Group, including approximately 16,000 km of operational rail tracks, are not insured. In general, the Group's infrastructure assets are not insured unless insurance is required by applicable laws or pursuant to any relevant financing agreements. In the event that the Group incurs significant losses or liabilities but is not insured against such losses or liabilities, or its insurance is unavailable or inadequate to cover such losses or liabilities, the Group's business, financial condition and results of operations could be materially and adversely affected.

The Group's extensive infrastructure is exposed to climate-related hazards which could disrupt operations and require significant remediation expenditure.

The Group's business is dependent on the continued availability of its key infrastructure assets, including its mainline railway network, bridges, signalling systems, and port facilities. The Group operates approximately 16,000 km of operational rail tracks, 3,584 bridges, and port infrastructure across Kazakhstan, a country subject to a range of physical climate hazards. The Group's risk register identifies, amongst others, the following climate-related physical risks as material: (i) the risk of flooding, erosion of roadbeds, artificial structures, and other infrastructure facilities; (ii) the risk of infrastructure damage due to extreme heat, extreme cold, and drought in certain regions; and (iii) the risk of changes in the structure and volume of cargo due to natural disasters related to climate change. Specific regions of the Group's network are exposed to heightened natural hazard risks, including earthquake risk. In the event of such natural hazards, the availability of parts of the Group's asset base may be temporarily limited, which could disrupt the Group's ability to provide transportation services and have material financial consequences for the Group.

In 2024, Kazakhstan experienced severe flooding that affected multiple regions, in response to which the Group provided emergency rail transportation of personnel and specialists to support government flood response operations, including transporting 30,000 people free of charge. While natural disasters have not had a material impact on the Group's operations over the past three years, there can be no assurance that future climate events will not cause significant damage to track, signalling, bridges, or other critical infrastructure, resulting in service disruptions, loss of revenue, and substantial repair costs.

The Group maintains protective forestry plantations of 63,207 hectares, operates dedicated anti-erosion and snow removal infrastructure, and has adopted a Civil Defence Plan for 2024 to 2029 and an Emergency Response Action Plan for 2028 to 2029. However, there can be no assurance that these measures will be sufficient to prevent or mitigate the impact of extreme weather events, or that the frequency or severity of such events will not increase as a result of ongoing climate change. Any significant climate-related disruption to the Group's infrastructure or operations, or a requirement to incur material unplanned capital expenditure to repair or future-proof the asset base, could have a material adverse effect on the Group's business, results of operations, financial condition, and prospects.

The Group could incur significant costs for violations of applicable environmental laws and regulations or as a result of operational environmental incidents.

Like other transportation companies, the Group's operations are subject to extensive national and local laws and regulations governing emissions and the transportation of products that are hazardous to the environment. In carrying out its environmental policies, the Group seeks to adhere to international standards and best practices. During the Track Record Period, the Group experienced certain irregularities and instances of non-compliance with applicable environmental laws, primarily attributable to aging infrastructure. The Group is subject to periodic inspections by environmental and ecological authorities of Kazakhstan, which may impose fines, environmental rehabilitation obligations, and monetary compensation for damage to the environment in the event of any material environmental harm.

In addition, the Group's freight operations involve the transportation of oil and petroleum products (which accounted for 19% of total revenue from freight transportation in 2025), as well as other hazardous and regulated cargo. Operational accidents or incidents, such as derailments, collisions, or equipment failures, could result in the spillage or discharge of oil, fuel, or hazardous materials into the surrounding environment, including water courses, agricultural land, and populated areas. Any such incident could give rise to significant environmental clean-up costs, third-party liability claims, regulatory fines, mandatory remediation obligations, and reputational harm, as well as service disruptions on affected sections of the network.

Compliance with environmental regulations is an ongoing process and as such, new laws and regulations, the imposition of tougher requirements, increasingly strict enforcement or new interpretations of existing environmental laws may require the Group to modify its operations, incur substantial unbudgeted costs to comply with current or future regulations or incur fines or penalties for environmental violations.

The Group may not achieve its sustainable development targets, and evolving emissions regulations and global energy transition could increase operating costs, require significant capital investment, and reduce demand for carbon-intensive freight.

Rail transport has environmental impacts related to fuel use, pollutant emissions, effects on ecosystems and noise levels. See "Business Overview – Environmental, Social and Governance Matters" in this Document for further details. In 2024, the Group's total GHG emissions (Scope 1 and Scope 2) amounted to approximately 5,058 thousand tonnes of CO_2-equivalent (intensity of approximately 105.9 kg CO_2-eq. per 10,000 gross tonnes-km), with diesel fuel for locomotive traction accounting for approximately 27,541 thousand GJ of 41,928 thousand GJ total energy consumption and representing the primary driver of direct emissions. The Group's Low-Carbon Development Concept 2060 forms the Group's contribution to achieving the goal of carbon neutrality of the State by 2060, it targets a 25% reduction in direct diesel locomotive emissions by 2030 (from 1.8 million to 1.3 million tonnes of CO_2), with key levers including the renewal of 150 freight and 99 passenger diesel locomotives, electrification of 820 km of railway lines, and the introduction of 77 LNG-/battery-powered locomotives.

The Group may be unsuccessful in driving sustainability improvements across its operations, or the implementation of its sustainability targets could be costlier than expected, particularly as technologies that are critical to facilitating such targets may not yet have been developed. Suppliers may fail to uphold the Group's sustainability standards. The Government may introduce more stringent emissions regulations, carbon pricing, or emissions trading schemes applicable to the transport sector. If the Group is not successful in driving social and environmental improvements across its operations, and is therefore not perceived as being a leader in sustainability, or if the foregoing events occur, including if any alleged greenwashing complaints arise, this could result in a decline in stakeholder confidence, reputational damage, reduction in demand and loss of competitive advantage.

The Group faces workforce risks, including an inability to retain key personnel or attract and retain qualified personnel.

The continued success of the Group's business and the implementation of its strategic initiatives depend on the recruitment, development and retention of highly qualified engineering, management and commercial personnel, as well as on maintaining constructive labour relations. Competition for qualified personnel in the industry is intense.

The Group's ability to maintain its competitive position and to implement its business strategy is dependent on the services of key engineering, managerial, financial, commercial, marketing and processing personnel, as well as the maintenance of good labour relations. Competition for qualified personnel is intense due to the small pool of qualified individuals.

The Group's staff turnover rate has increased from 7.9% in 2023 to 8.4% in 2024 and 8.6% in 2025. The average age of the Group's workforce is 42, and in certain departments, over 30% of staff are aged between 46 and 55, indicating a near-term succession risk as these employees approach retirement age. The Group has experienced local staff shortages in infrastructure maintenance, signalling and other safety-critical areas since 2023, particularly in urban labour markets where the Group competes for workers with mining, construction, and industrial employers offering comparable or higher wages. Any significant deterioration in labour availability in safety-critical roles could increase the risk of operational incidents, service disruptions, or regulatory non-compliance.

The vast majority of the Group's employees are members of the Public Association of Railway Workers and Employees Trade Union (the "**Trade Union**"), with which the Group had entered into a total of 12 collective bargaining agreements. The collective bargaining agreements with the Trade Union provide the Trade Union with a range of methods by which it could seek to influence the activity of the Group, as well as the Group's implementation of the Development Strategy. These methods include, among others, notification or coordination procedures or the requirement for Trade Union approval in respect of certain employee terminations, notification or co-ordination procedures in respect of employee wage matters, notification of the Group's intention to eliminate structural subdivisions of the Group, including eliminations that may be necessary to implement the Development Strategy, and the institution of employee strikes or commencement of judicial proceedings. The process of extending and concluding new collective agreements has historically been conducted in an orderly manner, and any changes to the organisational structure or working conditions are implemented in accordance with the agreements reached and applicable legislative requirements. There can be no assurance, however, that any collective bargaining agreements will be concluded in respect of any future period on materially the same terms as the existing agreements, in a timely fashion or at all. An inability to reduce or restructure its workforce (whether in connection with the Development Strategy or otherwise) without violating the terms of the collective bargaining agreements with the Trade Union (or the incurrence of additional costs in order to comply with the terms of such agreements), or a deterioration in relations with the Trade Union (including labour disputes, work stoppages and labour strikes), could disrupt the Group's business operations and have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

As at 31 December 2024 and 2025, the Group had employee benefit obligations of KZT 48,703 million and KZT 49,194 million, respectively. Under the collective bargaining agreements agreed with the Trade Union, the Group provides, under an unfunded scheme, a one-time retirement grant or payment upon early termination of the employment contract (subject to compliance with the Early Retirement Programme), annual financial support to pension holders, financial support for six months to employees that take voluntary redundancy payments and other benefits. The Group's policy regarding these retirement benefits does not provide for the accumulation of assets to cover liabilities and employees are not required to make additional contributions. Changes in the interest rate environment, inflation, life expectancy and other factors may adversely affect the amount of the Group's employee benefit obligations and annual funding costs.

If the Group is unable to attract and retain qualified employees, or is required to incur significantly higher employment cost to do so, or if any deterioration in relation with the Trade Union leads to labour disputes, work stoppages or strikes, the Group's operations could be disrupted. The Group's talent constraints, collective bargaining obligations, wage pressures and unfunded pension liabilities could increase operating costs and adversely affect its ability to execute its growth strategy.

The Group's operations depend on obtaining and maintaining licences and permits necessary for the operation of its business.

The Group conducts its business operations under various licences and permits that authorise it to carry out a full range of railway-related business activities, such as the transport of hazardous materials and the performance of expert works and engineering services, including planning, surveying, building and installation services. As a result, the Group's activities are dependent upon the grant, renewal and/or continuance in force of these licences and permits, which in certain circumstances may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances, such as non-compliance with applicable laws and occupational safety requirements. Such licences and permits might not be granted, renewed or continue in force or they may be renewed on unfavourable terms.

The Group is exposed to operational safety and accident risks inherent in railway operations.

As a national railway operator carrying both freight and passengers, the Group is inherently exposed to operational safety risks including derailments, collisions, equipment failures, hazardous cargo leakage or spillage, and passenger or employee injuries or fatalities. The Group experiences minor derailments from time to time, often due to technical faults in rolling stock, which occasionally result in damage to the rail track or cargo spillages, particularly oil spills that can cause environmental damage in the area proximate to the derailment. Any significant safety incident could result in environmental damage, regulatory investigation by relevant government authorities, compensation claims from affected parties, service suspensions on affected sections of the network and reputational harm. The Group operates an extensive network of approximately 16,000 km of operational rail tracks and transports hazardous materials, including oil and petroleum products. The aging condition of the Group's infrastructure and rolling stock may increase the frequency or severity of the incidents. There can be no assurance that the Group's safety management systems, training programmes and preventive maintenance will be sufficient to prevent all safety incidents. Any such incident could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is required to comply with commitments arising from Kazakhstan's participation in multilateral and bilateral international treaties and in international organisations.

The Group is subject to Kazakhstan foreign policy relating to arrangements in the railway industry. For example, the Group's operations are, and will continue to be, subject to the Customs Union and the EEU among Kazakhstan, Armenia, Belarus, Russia and the Kyrgyz Republic. As part of the Single Economic Space, the unification of tariffs covering freight tariffs for domestic, export and import routes within each member country was agreed, with rail transportation operators permitted to adjust tariff levels in accordance with the national laws of the relevant EEU member state. In addition, the EEU Treaty establishes requirements pursuant to which EEU member states apply unified tariffs to the transit shipment of goods originating from other EEU member states. In 2014, the EEU Treaty was signed and introduced freedom of movement of goods, services and labour. It also introduced co-ordinated or unified policy in key sectors of the economy, including transport, technical, and customs regulation. In 2017, the member states of the EEU approved a customs code providing for the full transition to electronic customs declarations, a reduction in the time required for customs clearance of transit goods from one working day to four hours and a 50% reduction in the time permitted for customs authority inspections from ten days to five days.

Failure by the Group to adapt its operations to these or further rules or regional integration supported by the EEU or similar future organisations, or acceptance by Kazakhstan of any international commitments that are not in accordance with the interests of the Group, could make it difficult for the Group to compete effectively with regional railway companies or enjoy the benefits that the EEU and similar organisations may bring to its member states. If the Group is unable to compete effectively as a result of these or other factors, it could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

The Group's business is dependent on economic conditions in the countries bordering Kazakhstan and maintaining good relations with neighbouring countries to have open access to international commodities markets.

The Group's business is dependent on exports of products from, and imports of products into, Kazakhstan. The volumes of such shipments vary based on economic conditions in

Kazakhstan and the countries bordering Kazakhstan, as well as the demand for commodities and other products produced in Kazakhstan. Accordingly, economic conditions in those countries have an impact on demand for the Group's transportation services. Moreover, the Group's continued efforts to expand its logistics and transhipment services will make it increasingly dependent on economic conditions in other countries. Regional economies, in particular the Russian and Belarusian economies, have been negatively impacted by the conflict commenced by Russia in Ukraine and the consequent sanctions imposed on Russia and Belarus and certain Russian and Belarusian entities and persons. Currently, due to ongoing geopolitical uncertainty around Russia and Ukraine, the potential for further sanctions applicable to Russia and Belarus and Russian and Belarusian entities, as well as a lack of certainty as regards the ability of Russia and Belarus to mitigate the adverse effects on their economy and macroeconomic indicators, the Group is unable to quantify the expected impact on the economy of Kazakhstan and, in turn, on the Group's business, prospects, financial condition, cash flows or results of operations. Additional disruption to the economies of countries bordering Kazakhstan may be occasioned by the ongoing geopolitical tensions and military conflict in the Middle East. Should economic conditions in such countries be substantially impaired, in particular for a prolonged duration, it may have a material adverse effect on the Group's exports, imports and transit transportation operations and the ability to offer logistics services to the Group's customers in these countries. The Group has been, continues to be and has future plans to be, involved in cooperation with foreign and international partners. Any failure to create or maintain relationships with such partners could have a material adverse effect on the Group's ability to fulfil its strategic aims and, in turn, on the Group's business, prospects, financial condition, cash flows or results of operations.

As a result of the role assigned to the Group in Government economic programmes and initiatives from neighbouring countries, the Group is at the forefront of Kazakhstan's intention to be a large transit player on the trade route between China and the EU. The Group believes that it has benefited from and will continue to benefit from Chinese government initiatives, such as the development of the XUAR adjacent to the Kazakhstan-China border. See "Business Overview – Key Strengths – Strategic Eurasian corridor gateway with integrated rail, port, dry port and logistics assets" in this Document for further details. However, the Group is exposed to risks associated with shifts in trade flows and geopolitical dynamics, as evidenced by the decline in transit freight traffic between China and the EU through Kazakhstan from 662,164 TEUs in 2021 to 457,608 TEUs in 2025 (31% volume decline since 2021). China-Europe-China container traffic also fell by 21% year on year, while traffic on the China-Russia-China route rose by 7%. Any sustained decline in transit volumes, further diversion of trade flows to competing corridors, or deterioration in the geopolitical or trade relations among Kazakhstan in its neighbouring countries could adversely affect the Group's business, prospects, financial condition, cash flows or results of operations.

In addition to directional volume shifts, the Group's operations may be adversely affected by structural imbalances in Eurasian trade flows. Freight movements from East to West – principally from China towards Europe and Central Asia – have historically been significantly higher in volume than return freight movements from West to East. This directional skew may result in elevated volumes of empty or partially loaded freight cars, containers and other assets being repositioned on backhaul routes, leading to lower network utilisation and increased repositioning costs. Growth in transit volumes, combined with persistent imbalances, could result in higher per-unit transportation costs, limiting the Group's ability to optimise operations and improve profitability, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's cross-border transportation operations are subject to operational risks, including reliance on border capacity and coordination with foreign railway administrations.

The Group's freight and transit operations depend on cross-border transportation through multiple international border crossings, including key stations at the China and Russia borders. These operations require coordination with foreign railway administrations, reliance on border station capacity, customs clearance processes, technical interfaces between different railway systems, terminal capacity, port access, data exchange and payment or settlement arrangements. Delays or disruptions at border stations, ports or neighbouring railway networks, whether caused by infrastructure constraints, regulatory changes, customs processing backlogs or coordination failure with foreign railway administration, may adversely affect transit volumes, delivery times and customer relationships. Any sustained disruption to the Group's cross-border transportation operations could have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

Each of the Group and the railway industry in Kazakhstan has undergone and is continuing to undergo restructuring, which will require the Group to adapt and will likely result in a more competitive environment.

The Government has been actively reforming the railway industry in Kazakhstan since 1997. As the national transport and logistics operator, the Group implements Government initiatives and programmes aimed at developing the transport and logistics sector in Kazakhstan. Under the Development Strategy, the Company's vision is to be a leading transport operator providing efficient, safe, socially responsible and environmentally sustainable freight and passenger transportation services, supported by modern management practices, digital technologies and an enhanced customer focus. The Development Strategy sets out the Company's long-term objectives, including improving the efficiency of railway transportation, developing transit potential, increasing customer satisfaction, expanding the digitalisation of operations, embedding ESG principles across the business and ensuring the safety of train traffic.

Reforms of the railway industry and transportation and logistics sector in Kazakhstan, together with implementation of the Development Strategy, will require further significant changes to the structure of the Group, including the transfer or contribution of assets among members of the Group in furtherance of the reorganisation of operations and functional responsibilities, the implementation of cost efficiency measures, and privatisation of certain business lines or operations, which may incur significant costs.

If the Group is not able to implement these restructuring measures or adapt to new circumstances that result from reforms in the railway industry and transportation and logistics sector or the implementation of the Development Strategy, it may result in disruptions to and difficulties in the Group's operations and increases in operating expenses, any of which could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

In addition, the timing of the implementation of the Development Strategy, as well as the Group's ability to implement the Development Strategy successfully, are subject to a number of other factors beyond the control of the Group, including the Group's ability to take actions that require the involvement or approval of the Government or the consent of certain of the Group's creditors and geopolitical developments such as the conflicts in Ukraine and the Middle East. Failure to obtain any such approvals or consents could delay or otherwise hinder the Group's ability to restructure its business and, consequently, its ability to run its business and compete effectively.

In addition, it is possible that the Group may find it necessary to alter the services that it offers in response to developments that come about as a result of the significant changes that are expected to take place within Kazakhstan's railway industry and transportation and logistics sector as a result of the more competitive environment.

The Group may not be successful in implementing its strategic aims.

The Group plays a key role in the implementation of key Government projects and such role has been reaffirmed by recent initiatives. The Company is taking a number of measures to:

- develop infrastructure in line with the targets and reforms set out in the Infrastructure Development Programme and the National Plan;
- continue to develop its framework of strategic alliances with partners in the main transport corridors to, inter alia, increase service levels, develop competitive end-to-end tariff rates and increase the speed of cargo delivery;
- pursue reform of the regulated tariff system with a view to achieving cost-effective tariff levels and transitioning to a new tariff policy designed to enhance transportation efficiency;
- conduct marketing initiatives to attract new cargo flows; and
- work with Government agencies to reduce administrative barriers to transit activities and improve transit-related logistics.

A number of targets are also set out in the Group's Development Strategy and other Government programmes. The Group might not be successful in fulfilling these projects or strategic aims and the cost of implementing such strategic aims might be significant and might not be in line with the Group's current projections.

RISKS RELATING TO CONDUCTING BUSINESS IN KAZAKHSTAN

Emerging markets are generally subject to greater risk than more developed markets and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in Kazakhstan.

The Kazakhstan market, being an emerging market, is subject to greater risk than more developed markets, including in some cases significant legal, economic and political risks.

Disruptions in the international capital markets and changing regulatory environments can lead to reduced liquidity and increased credit risk premiums for certain market participants and result in a reduction of available financing. Countries located in emerging markets may be particularly susceptible to these disruptions and changes and also to reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty.

In addition, the availability of credit to emerging markets is significantly influenced by levels of investor confidence in such markets as a whole. Accordingly, any factors that impact market confidence, such as a decrease in credit ratings or state or central bank intervention in a particular market, could affect the price or availability of funding for these markets, which could, in turn, have an impact on the wider economies of such markets.

Fluctuations in the global economy or an increase in the perceived risks associated with investing in countries located in emerging markets generally could reduce foreign investment in Kazakhstan and, as a result, have an adverse effect on the economy of Kazakhstan. If foreign investment in the economy of Kazakhstan decreases, there may be liquidity constraints, limiting the availability of capital for businesses and potentially slowing Kazakhstan's economic growth. The economy of Kazakhstan may be affected by developments in the economies of other countries located in emerging markets.

Financial unrest or instability experienced in one or more countries located in emerging markets, especially countries in the CIS, around the Caspian Sea, or in Central Asia (some of which have recently experienced significant political instability, including terrorism and internal unrest), could have a negative impact on the economy of Kazakhstan and a material adverse effect on the **[REDACTED]**.

Kazakhstan's economic growth and sovereign credit ratings are subject to deterioration, which could materially and adversely affect the Group's business, financial condition and prospects.

Kazakhstan's economy has shown moderate growth in recent years following a contraction of 2.5% in 2020. According to official statistics, real GDP grew by 5.1% in 2023, 5.0% in 2024 and 6.5% in 2025. However, there can be no assurance that this level of economic growth will continue.

Kazakhstan currently maintains investment-grade sovereign credit ratings of "BBB-" (stable) by S&P Global, "BBB" (stable) by Fitch Ratings and "Baa1" (stable) by Moody's. Any future downgrade of Kazakhstan's sovereign credit rating or a revision of the outlook to negative could lead to a corresponding downgrade of the Company's credit rating and the availability and pricing of financing for the Group.

A slowdown in economic growth, combined with any deterioration in Kazakhstan's sovereign credit ratings or liquidity challenges in the local economy, could materially and adversely affect the country's economic development, which in turn could have a material adverse effect on the Group's business, prospects, financial condition, results of operations and cash flows.

The Group is dependent on the political, economic and geopolitical climate in Kazakhstan.

A majority of the Group's assets and operations are located in Kazakhstan. As a result of this geographic concentration, the Group is particularly sensitive to any change in the political environment in Kazakhstan as well as any weakness in the economy, including specifically the local oil and gas markets.

Since 1992, Kazakhstan has actively pursued a programme of economic reform designed to establish a free market economy through privatisation of Government-owned enterprises and deregulation and it is more advanced in this respect than some other countries of the former Soviet Union. However, as with any transitioning economy, there can be no assurance that such reforms will continue or that such reforms will achieve all or any of their intended aims.

Kazakhstan has also experienced periods of political unrest that have had, and could continue to have, a negative impact on its economy. For example, in January 2022, protests triggered by rising fuel prices escalated into widespread unrest, particularly in Almaty and the southern regions. The Government declared a state of emergency, imposed restrictions on communication and transportation, and financial institutions limited their operations. The state of emergency was lifted on 19 January 2022, but internet access remained limited, disrupting online transactions and financial services. Kazakhstan's political landscape continues to evolve following the events of January 2022 and subsequent reforms.

On 15 March 2026, Kazakhstan approved a new constitution following a national referendum, introducing sweeping institutional reforms, including the replacement of the bicameral parliament with a unicameral Kurultai, the recreation of the office of vice president and the expansion of presidential authority over key state appointments. The constitutional reforms also revise provisions relating to civil rights and freedom of expression, and may tighten regulatory requirements around public order and speech.

Ongoing political developments, constitutional changes and any associated uncertainty could materially affect Kazakhstan's financial and economic stability, which in turn could have a negative impact on the Group's business, financial condition, results of operations and prospects.

Kazakhstan depends on neighbouring states to access world markets for a number of its major exports, including oil and natural gas. Thus, Kazakhstan is dependent upon good relations with its neighbours to ensure its ability to export. Should access to these export routes be materially impaired, this could adversely impact the economy of Kazakhstan. Moreover, adverse economic factors in regional markets may adversely impact Kazakhstan's economy, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Additionally, any disruption of oil and gas production, transportation or refining in Kazakhstan for any reason, including as a result of terrorism, natural disaster, industrial accident, public health threats and global pandemics or change in national government policy, could have a material adverse effect on the Group's business, financial condition or results of operations.

In addition, the Company's subsidiaries, joint ventures and associates are in many regions of Kazakhstan, the largest employers in the cities in which they operate. While the Group does not have any specific legal obligation or responsibilities with respect to these regions, its ability to reduce the number of its employees may nevertheless be subject to political and social considerations. Any inability to reduce the number of employees or make other changes to the Group's operations in such regions could have a material adverse effect on the Group's ability to respond to changes in its operating environment and its business, prospects, financial condition, cash flows or results of operations.

Changes in trade policy, customs rules or trade relations may adversely affect the Group's freight volumes and revenues.

The Group's freight volumes are closely linked to commodity exports, imports and transit flows through Kazakhstan. Changes in trade policy, customs rules, tariffs, quotas, export or import restrictions, sanctions, counter-sanctions, border measures or trade relations involving Kazakhstan, China, Russia, the EU, Central Asia and other key markets may reduce cargo volumes. Kazakhstan's strategic position as a transit corridor between China and Europe means that shifts in bilateral trade flows, the imposition of new trade barriers, or changes to multinational trade agreements could have a direct and material impact on the Group's transit freight volumes and revenue. Any adverse changes in trade policy affecting the Group's key trade corridors could have a material effect on the Group's business, financial condition, results of operations and prospects.

Devaluations of the Tenge or the adoption of a new currency exchange policy could have an adverse impact on the Group and Kazakhstan's public finances and economy.

Although the Tenge is convertible for current account transactions, it is not a fully convertible currency for capital account transactions outside Kazakhstan. The Tenge has historically been subject to significant volatility, including as a result of changes in monetary and exchange rate policy, external macroeconomic conditions, regional geopolitical developments and fluctuations in global commodity and financial markets.

While Kazakhstan generally maintains a liberal foreign exchange regime, currency operations are regulated by the Law of the Republic of Kazakhstan No. 167-VI dated 2 July 2018 "On Currency Regulation and Currency Control" (as amended) and related regulations. Certain cross-border transactions are subject to registration, notification, reporting and monitoring requirements, and authorised banks are required to conduct foreign exchange compliance procedures in respect of such transactions. In addition, Kazakhstan legislation permits the introduction of special currency regulation measures in circumstances that may threaten the country's economic security, financial stability or balance of payments position. Such measures could include restrictions or additional requirements relating to foreign currency transactions, cross-border transfers, the use of foreign currency accounts or the repatriation of funds.

Any devaluation or depreciation of the Tenge against the U.S. dollar or other major foreign currencies, or any material change in Kazakhstan's currency exchange policy, could adversely affect Kazakhstan's economy and public finances, including by contributing to inflationary pressures, increasing the cost of foreign currency funding, reducing access to capital and creating uncertainty regarding economic growth. These factors could, in turn, have an adverse impact on the Group's business, financial condition, cash flows, results of operations and prospects. In addition, any shortage of U.S. dollars or other foreign currencies in Kazakhstan, or any restrictions affecting the availability or transferability of foreign currency, could adversely affect the Group's ability to access foreign currency funding or service foreign currency-denominated obligations. See "Risks Relating to Its Business and Industry – The Group is subject to foreign currency exchange rate risk, which the Group has a limited ability to manage" in this section for further details regarding the Group's foreign currency exposures, historical foreign exchange losses, foreign currency-denominated borrowings and hedging arrangements.

Sustained periods of high inflation could adversely affect the Group's business.

The Group's operations are located principally in Kazakhstan and a majority of the Group's costs are incurred in Kazakhstan. Since the majority of the Group's expenses are denominated in Tenge, inflationary pressures in Kazakhstan are a significant factor affecting the Group's expenses. For example, employee and contractor wages, consumable prices and energy costs have been, and are likely to continue to be, particularly sensitive to monetary inflation in Kazakhstan.

While annual inflation has shown signs of gradual moderation in the first half of 2026 (10.4% in May 2026, compared to an average of 11.4% in 2025) inflationary pressures remain elevated. Any future acceleration of inflation could raise the Group's operating costs, which in turn could have a material adverse effect on the Group's business, prospects, financial condition, cash flows or results of operations.

Kazakhstan's physical infrastructure requires continued investment and modernisation.

Kazakhstan's physical infrastructure, much of which dates back to the late 1980s, requires continued investment and modernisation. Significant portions of the country's rail and road networks, power generation and transmission systems, pipelines and communication systems have not received adequate funding and maintenance since independence. There can be no assurance that sufficient budget revenues will be dedicated to improving the country's physical infrastructure at the pace required. Delays or shortfalls in the rehabilitation of Kazakhstan's physical infrastructure may constrain the national economy, affect the transportation of goods and supplies, increase the costs of doing business in Kazakhstan, and may interrupt business operations, any of which could have a material adverse effect on the Company's business, prospects, financial condition, cash flows, and results of operations.

The outcome of the implementation of further market based economic reforms is uncertain.

The need for substantial investment in many enterprises has driven the Government's privatisation plans. There remains a need for substantial investment in many sectors of Kazakhstan's economy and there are areas in which economic performance in the private sector is still constrained by an inadequate business infrastructure. Furthermore, the significant size of the shadow economy (or black market) in Kazakhstan may adversely affect the implementation of reforms and hamper the efficient collection of taxes. The Government has stated that it intends to address these problems by improving the business infrastructure and tax administration and by continuing the privatisation process. However, there can be no assurance that these measures will be effective and any failure to implement them may have a material adverse effect on the Company's business, prospects, financial condition, cash flows, and results of operations.

Global supply chain disruptions may adversely affect the Group's operations.

The Group's operations depend on the timely delivery of spare parts, materials, equipment and services from third-party suppliers and manufacturers. Global supply chain disruptions, whether arising from geopolitical developments, trade restrictions, logistics bottlenecks, contagious disease pandemics or other causes, may result in shortages, delayed deliveries, increased costs or reduced availability of critical inputs. Although the Group has not experienced significant supply chain disruptions to date and currently maintains sufficient spare parts and materials, any sustained disruption in deliveries from third-party suppliers, manufacturers or service providers could result in unscheduled operational downtime, maintenance delays, deferral or reduction of revenues and increased costs, which could materially adversely affect the Group's profitability.

The Group sources certain equipment, components and materials from international suppliers, and any trade restrictions, export controls, sanctions or logistical constraints affecting these supply chains could limit the Group's ability to procure necessary inputs on commercially acceptable terms or at all. In addition, capacity constraints or production disruptions at key suppliers, or the insolvency or operational failure of a critical supplier, could adversely affect the Group's ability to maintain its rolling stock fleet, conduct necessary maintenance, or complete capital projects on schedule. Any of the foregoing could have an adverse effect on the Group's operations, financial condition and results of operations.

Kazakhstan's legislative and regulatory framework is evolving.

Whilst a large volume of legislation was enacted during the past several decades, the legal framework in Kazakhstan is still evolving and subject to periodic changes in comparison to countries with more established market legal frameworks. The development of Kazakhstan's regulations may result in the reduced predictability of its regulatory landscape, accompanied by inconsistent interpretations due to the lack of court precedents or guidance from the regulators. Existing laws and regulations could be amended, the manner in which laws and regulations are enforced or interpreted could change and new laws or regulations could be adopted. Any amendment or change in the interpretation of current rules and regulations as well as any adoption of new rules and regulations could require the Group to alter business operations or strategy or reduce the profitability of the Group's current business. Any of these factors could be significant and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Company may have difficulties in obtaining effective redress in court proceedings.

The independence of the Kazakhstan judicial system is not immune from social, economic and political influences. See "Risks Relating to Conducting Business in Kazakhstan – Kazakhstan's legislative and regulatory framework is evolving" in this section for further details. All of these shortcomings may affect the ability of the Company to obtain effective legal redress in Kazakhstan courts. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain for the Group.

The State is not a party to any multilateral or bilateral treaties with the UK or the US (or indeed most Western jurisdictions) for the mutual enforcement of court judgments. Whilst

Kazakhstan law provides for enforcement of foreign court awards on the basis of reciprocity, there is no guidance or practice on this matter and currently it is uncertain whether or not Kazakhstan courts will enforce decisions from foreign courts on such a basis. The procedures applied by the relevant Kazakhstan officials may not be entirely consistent with the legislation relating to procedure or with court rules. This could delay enforcement procedures in the State, particularly if enforcement is sought to be made in courts outside the principal commercial centres such as Almaty and Astana. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress for the Group uncertain and could have a material adverse effect on the price of the **[REDACTED]**.

In addition, substantially all of the Company's assets are located in Kazakhstan, and the majority of the Company's directors and officers are resident in Kazakhstan and hold their personal assets in Kazakhstan. As a result, holders of the **[REDACTED]** in Hong Kong, the United Kingdom, or other jurisdictions may face significant practical difficulties in bringing proceedings against, or enforcing foreign court judgments against, the Company, its directors, or its officers. There can be no assurance that holders of the **[REDACTED]** will be able to obtain effective redress.

Kazakhstan's taxation system is subject to frequent change.

Historically, the tax system in Kazakhstan has often undergone changes, which sometimes occurred in a short time and included changes to the regulations establishing the rules of tax administration, as well as other provisions such as the definition of the tax base and tax rate.

The new Tax Code which took effect on 1 January 2026 introduced a number of important changes, including an increase of the VAT rate from 12% to 16% (with reduced rates applicable to specific industries).

Due to the ambiguity of certain provisions in Kazakhstan's tax legislation, the complexity of tax matters, and inconsistent practices among tax authorities and courts, taxpayers and authorities may interpret the same provisions in a different way. During consideration of tax disputes, the tax authorities and courts often issue decisions in favour of the Government. Therefore, taxation in Kazakhstan is often unclear or inconsistent, and may result in unexpected tax assessments and liabilities that could lead to a material adverse effect on, inter alia, the Company's business, financial condition, results of operations or prospects.

There are perceived risks of corruption and business environment weaknesses in Kazakhstan.

As in many other emerging market jurisdictions, the incidence and perception of elevated levels of corruption remains a significant issue in Kazakhstan, although the climate has improved in this respect in recent years.

Kazakhstan was given a score of 38 in the Transparency International's 2025 Corruption Perceptions Index (with 1 being the most corrupt score and 100 being the least corrupt) and a score of 40 in the 2024 Index. Kazakhstan's business climate and competitive indicators are also negatively affected by the need for reform in investor protection arrangements, the cost of establishing a business, the tax system, resolving insolvency and contract enforcement.

Failure to address continued or perceived corruption and governance failures in the public sector and any future allegations, or perceived risk, of corruption in Kazakhstan, could have a material adverse effect upon Kazakhstan's ability to attract foreign investment, which could, in turn, have a material adverse effect on Kazakhstan's economy.

In March 2022, the National Anti-Corruption Bureau launched a criminal investigation in accordance with Article 361 "Abuse of office" of the Criminal Code of the Republic of Kazakhstan in connection with contracts for the supply of electricity concluded by entities within the Samruk-Kazyna group. Initially, the investigation was directed at individual officials of Samruk-Kazyna, Samruk-Energy JSC and the Company, as well as branches of the Directorate of the Backbone Network. Based on the information available to the Company, the investigation was initiated by governmental authorities and was subsequently redirected to the appropriate electricity supply company. Any such events may have a material negative impact on the Group's operations, reputation, financial condition, cash flows or results of operations. Such investigation was dismissed on 31 October 2024, the Company was not a party to the investigation and was not recognized as an injured party.

There can be no assurance that the Company or its subsidiaries will not be (re)implicated in the investigation at a later stage, that claims will not be (re)asserted against them, or that the investigation will not otherwise have adverse consequences. Any such developments could have a material adverse effect on the Group's business, reputation, financial condition, cash flows or results of operations.

The Group cannot ensure the accuracy of official statistics and other data in this Document published by Kazakhstan authorities.

Official statistics and other data published by Government authorities may not be as complete or reliable as those of more developed countries. Official statistics and other data may also be produced on different bases from those used in other countries. Neither the Company, the Group, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]** nor their respective affiliates or advisors or any other parties involved in the **[REDACTED]** have independently verified such official statistics and other data and any discussion of matters relating to Kazakhstan in this Document is, therefore, subject to uncertainty due to questions regarding the completeness or reliability of such information. Specifically, **[REDACTED]** should be aware that certain statistical information and other data contained in this Document has been extracted from official Government sources and was not prepared in connection with the preparation of this Document.

In addition, certain information contained in this Document is based on the knowledge and research of the Group's management using information obtained from non-official sources. The Group has accurately reproduced such information and, so far as the Group is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, prospective **[REDACTED]** are advised to consider this data with caution in light of the aforementioned considerations.

RISKS RELATING TO THE [REDACTED], THE [REDACTED] AND THE TRADING MARKET

The Group's actual or perceived exposure to Russia and Belarus may restrict certain [REDACTED] from acquiring or holding the [REDACTED].

As a result of the conflict and the Group's actual or perceived exposure to Russia and Belarus, certain **[REDACTED]** in the United States, EU, UK and other jurisdictions may be required, by operation of law, regulation or internal investment policies, to divest their holdings of **[REDACTED]** or may be restricted from acquiring or holding securities of issuers such as the Company with actual or perceived exposure to sanctioned jurisdictions or counterparties. If any member of the Group were to become subject to sanctions in the future, certain **[REDACTED]** may likewise be required or may elect to divest their holdings of **[REDACTED]** or may be prohibited or restricted from acquiring or holding such securities. Such divestments or investment restrictions may reduce the pool of potential **[REDACTED]**, adversely affect the liquidity of **[REDACTED]** and negatively impact the market price of the **[REDACTED]**, irrespective of the Group's compliance with applicable sanctions. Such divestments, investment restrictions, or adverse shifts in investor sentiment may reduce the pool of potential **[REDACTED]**, adversely affect the liquidity of **[REDACTED]**, negatively impact investor confidence, and depress the market price of the **[REDACTED]**, irrespective of the Group's underlying financial or operational performance.

An active trading market for the [REDACTED] may not develop.

Prior to the **[REDACTED]**, there was no public market for the **[REDACTED]**. There is no guarantee that an active trading market for the **[REDACTED]** will develop and continue after the **[REDACTED]** and the **[REDACTED]**, respectively. If an active trading market for the **[REDACTED]** does not develop, it could have a material adverse effect on the liquidity and the market price of the **[REDACTED]** and **[REDACTED]** may not be able to sell the **[REDACTED]** they purchased in the **[REDACTED]** at or above the **[REDACTED]** or at all. The market price of the **[REDACTED]** may drop below the **[REDACTED]** at any time after completion of the **[REDACTED]**. As a result, **[REDACTED]** who purchase the **[REDACTED]** in the **[REDACTED]** could lose all or part of their investment in the **[REDACTED]**. The **[REDACTED]** has been determined after consultation with the Group, and may not be indicative of the market price of the **[REDACTED]** after the **[REDACTED]**. In addition, the trading price of the **[REDACTED]** may also be subject to significant volatility in response to, among other things, the following factors: (i) changes in analysis and recommendations of securities analysts; (ii) announcements made by the Group or its competitors; (iii) changes in **[REDACTED]** perceptions of the Group; (iv) the macro investment environment; (v) changes in the Group's competitors' share prices; (vi) changes in the liquidity of the markets for the **[REDACTED]**; and (vii) general economic or political factors.

Underdeveloped securities market in Kazakhstan.

The Company is currently seeking a **[REDACTED]**. Kazakhstan has a less developed securities market than the United States, Asia, the United Kingdom and other Western European countries, which may hinder the development of a liquid and balanced market in the **[REDACTED]** in Kazakhstan. An organised securities market was established in Kazakhstan only in the mid-to-late 1990s and procedures for settlement, clearing and registration of securities transactions may, therefore, be subject to legal uncertainties, technical difficulties and delays. Although significant developments have occurred in recent years, including an initiative to develop Astana as an international financial centre, the sophisticated legal and regulatory frameworks necessary for the efficient functioning of modern capital markets have yet to be fully developed in Kazakhstan. There can be no assurance that the AIX will attract a sufficient number of market participants and issuers to ensure acceptable trading volumes in the foreseeable future or at all. Market participants, issuers and other involved parties may occasionally experience technical difficulties with various aspects of AIX's operations, such as quotation and trading information and settlement. In his annual address on 1 September 2023, President Kassym-Jomart Tokayev announced an instruction to consider the potential integration of the AIX and KASE, with a view to placing the two exchanges under single management and increasing the capacity and liquidity of the market in Kazakhstan. As at the date of this Document, the form and likelihood of integration is unclear. If conducted on terms or in a way that is unfavourable to **[REDACTED]** or issuers, the integration may negatively impact the liquidity, pricing and/or the ability to **[REDACTED]** on the AIX. The limited operational history of the AIX, the aforesaid related issues and the potential disruption of an integration may negatively impact the liquidity and pricing of, and the ability to trade at all, the **[REDACTED]** in Kazakhstan.

In particular, legal protections against market manipulation and insider trading are not as well developed or as strictly enforced in Kazakhstan as they are in the U.S., Asia, the United Kingdom and other Western European countries, and existing laws and regulations may be applied inconsistently. In addition, less information relating to Kazakhstan-based entities may be publicly available to **[REDACTED]** in such entities than is available to **[REDACTED]** in entities organised in the U.S., Asia, the United Kingdom and other Western European countries. The above-mentioned factors may impair foreign investment in Kazakhstan and hinder the development of a liquid and balanced market in the Securities in Kazakhstan.

Issuance and sales of additional [REDACTED] following the [REDACTED] may result in a decline in the price of the [REDACTED].

Sales of a substantial number of the Company's **[REDACTED]** in the public market, or the perception that such sales may occur in the future, could adversely affect the market price of the Company's **[REDACTED]** or the Company's ability to raise capital through a public offering of equity or equity-backed securities. Sales of large blocks of the Company's **[REDACTED]** by the Company's **[REDACTED]** in the future, sales of new Securities by the Company in the future, or the perception that such sales may occur in the future, could cause the Company's share price to decline and make it more difficult for the Company to raise capital. In addition, the sale or issuance of substantial numbers of **[REDACTED]** by the Company, or the market perception that such issuance or sale may occur, could materially and adversely affect the prevailing market price of the **[REDACTED]**.

The Company may elect not to pay dividends in the future.

To the extent that the Company declares and pays dividends on the Shares, owners of the **[REDACTED]** and **[REDACTED]** on the relevant record date will be entitled to receive dividends payable in respect of the Shares underlying the **[REDACTED]** and **[REDACTED]**, subject to the terms of the **[REDACTED]**. See "Financial Information – Dividends" in this Document for further details. Any future decision to declare and pay dividends will be subject to applicable law and commercial considerations (including without limitation, applicable regulations, restrictions, the Group's results of operations, financial condition, cash requirements, contractual restrictions, the Group's future projects and plans and capital adequacy requirements and limitations). The Company can give no assurance that it will pay any dividends in the future. As a result, **[REDACTED]** of **[REDACTED]** may not receive any dividends on the **[REDACTED]**.

[REDACTED] are not Shareholders and must rely on the [REDACTED] to exercise on their behalf the rights that are otherwise available to the Shareholders.

[REDACTED] are not Shareholders and must rely on the **[REDACTED]** to exercise, on their behalf, the rights that are otherwise available to the Shareholders. They only have the contractual rights set forth for their benefit under the **[REDACTED]** that are substantially analogous to, but may be more restricted than the rights of the Shareholders. The rights of **[REDACTED]** of Shares in a company incorporated under the laws of Kazakhstan may differ in material respects from the rights available to shareholders of a company incorporated in Hong Kong or the United Kingdom. For example, thresholds for mandatory general offers, minority shareholder protections, and other corporate governance safeguards under Kazakhstan law may differ from those under the Listing Rules, the UK Takeovers Code, or the Companies Ordinance. **[REDACTED]** are therefore subject to the shareholder rights regime applicable under Kazakhstan law as well as the terms of the **[REDACTED]**, which may impose additional obligations or limitations not applicable to holders of securities in Hong Kong or UK-incorporated companies.

[REDACTED] are not permitted to vote at Shareholders' meetings in the capacity of **[REDACTED]** and they may only vote by providing instructions to the **[REDACTED]**. There is no guarantee that **[REDACTED]** will receive voting materials in time to instruct the **[REDACTED]** to vote and it is possible that **[REDACTED]**, or persons who hold their **[REDACTED]** through brokers, dealers or other third parties, will not have the opportunity to exercise their right to vote, although the Company and the **[REDACTED]** will endeavour to make arrangements to ensure as far as practicable that all **[REDACTED]** will be able to vote. As the **[REDACTED]** or its nominee will be the registered owner of the **[REDACTED]**, **[REDACTED]** must rely on the **[REDACTED]** (or its nominee) to exercise the rights of a Shareholder on their behalf. In addition, **[REDACTED]** will also incur charges on any cash distribution made pursuant to the **[REDACTED]** and on transfers of certificated or direct registration of the **[REDACTED]**.

[REDACTED] who wish to convert their **[REDACTED]** into Shares must do so through the **[REDACTED]** in accordance with the procedures set out in the **[REDACTED]**. Such conversion may be subject to processing times, administrative procedures, and fees payable to the **[REDACTED]**, and there can be no assurance that conversion will be effected promptly. If a significant number of **[REDACTED]** elect to convert their holdings into Shares, the resulting reduction in the number of outstanding **[REDACTED]** could adversely affect the liquidity and trading volumes of the remaining **[REDACTED]** on the relevant exchange, which could in turn negatively affect the market price of the **[REDACTED]**.

[REDACTED] are dependent upon certain service providers for the safekeeping of the underlying Shares. Any failure, delay, insolvency, or operational disruption affecting any of these service providers could adversely affect **[REDACTED]** ability to exercise their rights, receive distributions, or convert or transfer their holdings. See "**[REDACTED]**" in this Document for further details.

[REDACTED] of [REDACTED] in certain jurisdictions may be unable to exercise their pre-emptive rights.

In order to raise funding in the future, the Company may issue additional Shares, including in the form of **[REDACTED]**. Holders of the **[REDACTED]** in certain jurisdictions (including the United States) may not be able to exercise pre-emptive rights unless the applicable securities law requirements in such jurisdiction (including in the United States) are adhered to or an exemption from such requirements is available. No assurance can be given that the Company will elect to comply with such applicable laws and regulations, or in the case of U.S. holders, that an exemption from the registration requirements of the U.S. Securities Act would be available to enable such U.S. holders to exercise such pre-emptive rights and, if such exemption were available, that the Company would take the steps necessary to enable U.S. holders of the **[REDACTED]** to rely on it. It is possible that, after having considered amongst other things the restrictions and requirements under applicable laws, rules and regulations, the percentage shareholding represented by holders of **[REDACTED]** and the administrative procedures required for the Company to make available such pre-emptive rights to holders of **[REDACTED]**, the Company may determine that it is not practicable in the circumstances for the Company to do so.

The Company will be concurrently subject to Hong Kong, the UK and Kazakhstan [REDACTED] and regulatory requirements, which may give rise to additional costs.

The Company plans to issue initially **[REDACTED]** in the **[REDACTED]** and the **[REDACTED]**, **[REDACTED]** in the **[REDACTED]**, **[REDACTED]** in the **[REDACTED]** and **[REDACTED]** in the **[REDACTED]**, which represents approximately **[REDACTED]**%, **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**%, respectively, of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised). The Company will be subject to Hong Kong laws, rules and regulations (including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO), the AIX or AIFC rules and regulations (including but not limited to the AIX Business Rules (which include AIX Market Disclosure Rules, AIX Markets Listing Rules, AIX Admissions and Disclosure Standards for Issuers, AIX Prospectus Rules) and AIFC Market Rules) and UK laws, rules and regulations. If any conflict between Hong Kong laws, rules and regulations, Kazakhstan or AIFC laws, rules and regulations and/or UK laws, rules and regulations arises, the Company shall comply with the most restrictive and stringent rule. As such, the Company may incur additional costs and resources in complying with the requirements of Hong Kong, the UK and Kazakhstan or the AIFC.

Both Kazakhstan tax resident [REDACTED] and tax non-resident [REDACTED] may be subject to Kazakhstan income tax for capital gains or dividends derived from the [REDACTED], [REDACTED] and the [REDACTED], unless they are eligible for applicable tax exemptions.

According to the Tax Code, in the absence of tax exemptions, **[REDACTED]** who are Kazakhstan tax residents may be subject to Kazakhstan income tax on (i) capital gains derived from the transfer of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** and (ii) dividends received on the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]**; and **[REDACTED]** who are Kazakhstan tax non-residents may be subject to income tax on capital gain derived from the transfer of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]**.

The AIFC Constitutional Law grants the AIFC Exemption. Pursuant to the AIFC Exemption, individuals and legal entities, irrespective of their tax residency status, are exempt from Kazakhstan income tax on: (i) dividends (subject to, in respect of Kazakhstan tax resident individuals and tax non-residents, a trading criteria) received on; and (ii) capital gains derived from the transfer of securities listed on the AIX, until January 1, 2066. The aforementioned trading criteria, which were not included in the AIFC Constitutional Law or the AIFC Exemption as originally enacted, are only relevant for the taxation on dividends and not capital gains. Such trading criteria were introduced in 2023 to limit the applicability of exemptions related to dividends for companies that listed their shares but with no active trading by public (i.e., **[REDACTED]** merely for accessing the exemption), and were further amended retroactively to exclude resident legal entities. The trading criteria are published on the AIX website on a regular basis and the Kazakhstan tax resident individual **[REDACTED]** should monitor and assess the trading criteria for the tax periods in which they receive dividends to determine if such dividends are subject to tax. However, the trading criteria are not applicable to Kazakhstan tax non-resident **[REDACTED]** in practice as there is no Kazakhstan tax on dividends (paid by the Company) payable to and to be received by Kazakhstan tax non-resident **[REDACTED]**. As of the Latest Practicable Date, there had been reported failures by certain securities listed on the AIX to meet certain of the trading criteria, which means that the shares of these companies were not actively traded on the AIX.

The AIFC Exemption may become unavailable if it is abolished/modified or if the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** are delisted from the **[REDACTED]**. While the Company is pursuing the **[REDACTED]** of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** on **[REDACTED]** and/or **[REDACTED]** and/or the **[REDACTED]**, the Company cannot assure you that it will obtain approval by **[REDACTED]** of the admission of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** to the Official List of the **[REDACTED]**. If the Company fails to **[REDACTED]** the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** on the **[REDACTED]**, or if the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** are later removed from the Official List of the **[REDACTED]**, **[REDACTED]** of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** (including both Kazakhstan tax residents and Kazakhstan tax non-residents) will not be able to rely on the AIFC Exemption and may therefore be subject to Kazakhstan income tax on capital gains derived from the transfer of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** and/or dividends received on the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]**, unless they are eligible for any other tax exemptions. Furthermore, if the **[REDACTED]** are **[REDACTED]** on the **[REDACTED]** (i.e., being included into the Official List of the **[REDACTED]** according to the Tax Code) only after they are **[REDACTED]** on the **[REDACTED]** and the **[REDACTED]**, such time gap (i.e., the interval between (i) the **[REDACTED]** on the **[REDACTED]** and the **[REDACTED]** on the **[REDACTED]** and (ii) publication of the "Notice of Admission to the Official List" on the **[REDACTED]**) would cause the **[REDACTED]** of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** not to be able to rely on the AIFC Exemption until the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** are **[REDACTED]** on the **[REDACTED]**. The Company's advisor for the **[REDACTED]** had conducted consultations with the Head of Public Issuers of **[REDACTED]** (who at the time of the consultation held the role of the Public Issuers

Associate). The Head of Public Issuers typically (i) serves as theofficial-in-charge of the **[REDACTED]** procedures, reporting directly to the chief executive officer of the **[REDACTED]**, and (ii) acts as the authorised representative responsible for, among others, approving the **[REDACTED]** documents and **[REDACTED]** applications for the **[REDACTED]**. Based on the consultations with the Head of Public Issuers, the **[REDACTED]** is committed to providing the best assistance to ensure the timely publication of the Notice of Admission to the Official List on **[REDACTED]** website, tentatively before 6:00 a.m. ALMT (9:00 a.m. HKT) on the **[REDACTED]**, so as to facilitate the AIFC Exemption applying immediately upon the **[REDACTED]** on the **[REDACTED]** and the **[REDACTED]** on the **[REDACTED]**, thereby facilitating **[REDACTED]** in the **[REDACTED]** in Hong Kong and the UK accessing such tax exemptions. However, there can be no guarantee that the **[REDACTED]** will so publish the Notice of Admission to the Official List on **[REDACTED]** website in such a timely manner, and therefore there can be no guarantee that **[REDACTED]** in the **[REDACTED]** in Hong Kong and the UK will be able to access the relevant tax exemption immediately upon the **[REDACTED]** on the **[REDACTED]** and the **[REDACTED]** on the **[REDACTED]**.

While the Tax Code provides additional exemptions with respect to transactions with securities including those as set forth below, the availability of these exemptions is subject to additional conditions and criteria as further described in "Regulatory Overview – Exemptions under the AIFC Constitutional Law and the Tax Code," and the Company cannot assure you that those conditions and criteria would be satisfied. The tax exemptions included in the Tax Code are summarised below:

- Dividends received by Kazakhstan tax resident **[REDACTED]** (legal entities) from the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** will be exempt from the Tax under the general provisions of the Tax Code.
- Dividends received by Kazakhstan tax resident **[REDACTED]** (individuals) will be exempt from the Tax in the case where such **[REDACTED]** are **[REDACTED]** and trading on the **[REDACTED]** if the following trading criteria established by the Kazakhstani Government are met: (i) trading volume is at least KZT 25 million per calendar month and (ii) the number of transactions with securities is at least 50 transactions per calendar month. Dividends received by Kazakhstan tax non-resident **[REDACTED]** (both legal entities and individuals) are outside the scope of Kazakhstan taxation.
- Capital gains received by individual **[REDACTED]** (both Kazakhstan tax residents and non-residents) and Kazakhstan tax resident legal entity **[REDACTED]** from disposal of the **[REDACTED]** will be exempt from the tax if the sale of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** is contemplated by way of an open trade on the **[REDACTED]** provided that such **[REDACTED]** are included into Official List of the **[REDACTED]** as of the date of their sale, which is only available for the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** traded on the **[REDACTED]** and not available for the **[REDACTED]** traded on the **[REDACTED]** and the **[REDACTED]** traded on the **[REDACTED]**.
- Capital gains received by Kazakhstan tax non-resident legal entity **[REDACTED]** will be exempt from the tax if the sale of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** is contemplated by way of an open trade on the **[REDACTED]** or on the **[REDACTED]** or on the **[REDACTED]**, provided that the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** are included into the Official List of these stock exchanges as of the date of their sale.

There is no certainty as to the interpretation that may be taken by Kazakhstan tax authorities in relation to the applicability of any tax exemptions, including but not limited to the AIFC Exemption. There is no guarantee that the Kazakhstan tax authorities would interpret or enforce the provisions of the tax exemptions in the manner described above.

In the event that the AIFC Exemption is not available, there is currently no effective and comprehensive mechanism for **[REDACTED]** and the Company to assess, report and settle the respective capital gain tax and dividend income tax obligation and the Company cannot estimate the potential maximum exposures of the **[REDACTED]**, the Company and the Directors if the AIFC Exemption becomes unavailable.

While the Tax Code provides certain open-trade exemptions as described in "Risks Relating to the **[REDACTED]**, the **[REDACTED]** and the Trading Market - Both Kazakhstan tax resident **[REDACTED]** and tax non-resident **[REDACTED]** may be subject to Kazakhstan income tax for capital gains or dividends derived from the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]**, unless they are eligible for applicable tax exemptions" in this section above, there is no certainty as to the interpretation that may be taken by Kazakhstan tax authorities in relation to the applicability of such open-trade tax exemptions. There is no guarantee the Kazakhstan tax authorities would interpret or enforce the provisions of the open-trade tax exemptions in the manner described in the Tax Code. In the event that the open-trade exemptions are removed and the **[REDACTED]** are unable to enjoy any other tax exemptions, such **[REDACTED]** will be subject to the Tax (with a tax rate ranging 10% to 20% depending on their residency and status) in Kazakhstan in respect of the capital gains from the disposal of the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]**. However, given that the identities of those disposing and acquiring the **[REDACTED]**, **[REDACTED]** and the **[REDACTED]** for on-market trades may not be ascertained, it may be difficult for the affected **[REDACTED]** to fulfil their capital gain tax obligations properly and the potential maximum exposures of the **[REDACTED]** due to such non-fulfilment are difficult to predict.

There can be no assurance as to the accuracy of facts and other statistics with respect to certain information obtained from the KPMG Report contained in this Document.

Certain facts and statistics in this Document, including but not limited to information and statistics relating to the market size, ranking and trends, are based on the KPMG Report or are derived from various publicly available publications.

The Company cannot, however, guarantee the quality or reliability of such facts and statistics. Although the Company has taken reasonable care to ensure that the facts and statistics presented are accurately extracted and reproduced from such publications, including the KPMG Report, they have not been independently verified by the Company, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, nor the Company's or their respective affiliates or advisors or any other parties involved in the **[REDACTED]** (except KPMG themselves, respectively) and no representation is given as to its accuracy. The Company therefore makes no representation as to the accuracy of such facts and statistics which may not be consistent with other information complied by other sources and **[REDACTED]** should not place undue reliance on any facts and statistics derived from public sources or the KPMG Report contained in this Document.

The Company has been granted waiver from strict compliance with certain requirements of the Listing Rules by the Stock Exchange, however this waiver could be revoked, exposing the Company and the Shareholders to additional legal and compliance obligations.

The Company has applied for, and the Stock Exchange, [has] granted to the Company, certain waivers from strict compliance with the Listing Rules. Please refer to the section headed "Waivers and Exemptions" in this Document for further details. There is no assurance that the Stock Exchange will not revoke the waiver granted or impose certain conditions on the waiver. If the waiver was to be revoked or to be subject to certain conditions, the Company may be subject to additional compliance obligations, incur additional compliance costs and face uncertainties arising from issues of multi-jurisdictional compliance, all of which could adversely affect the Company and the Shareholders. Further, **[REDACTED]** of **[REDACTED]**, **[REDACTED]** and **[REDACTED]** will not have the rights, benefits and protections under the provisions of Hong Kong laws, rules and regulations and the Listing Rules in respect of which such waivers have been granted.

The Company strongly caution you not to place any reliance on any information contained in press articles or other media regarding the Company or the [REDACTED].

There may be, subsequent to the date of this Document but prior to the completion of the **[REDACTED]**, press and media coverage regarding the Company and the **[REDACTED]**, which contain, among other things, certain financial information, projections, valuations and other forward-looking information about the Company and the **[REDACTED]**. The Company has not authorised the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about the Company. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, the Company disclaims responsibility for them. Accordingly, **[REDACTED]** are cautioned to make their **[REDACTED]** decisions on the basis of the information contained in this Document only and should not rely on any other information.

You should rely solely upon the information contained in this Document and any formal announcements made by the Company in Hong Kong, the UK or Kazakhstan in making your **[REDACTED]** decision regarding the **[REDACTED]**. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the **[REDACTED]**, the **[REDACTED]** or the Company. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, **[REDACTED]** should not rely on any such information, reports or publications in making their decisions as to whether to **[REDACTED]** in the Company. By applying to subscribe the **[REDACTED]** in the **[REDACTED]**, you will be deemed to have represented and agreed that you have not relied and will not rely on any information other than that contained in this Document.